



TARIFF COMMISSION
GOVERNMENT OF INDIA

REPORT

ON THE CONTINUANCE
OF PROTECTION TO THE

SERICULTURE INDUSTRY

BOMBAY

1953

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY

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REPORT
OF THE
TARIFF COMMISSION
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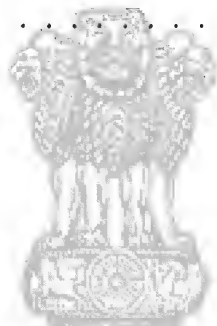
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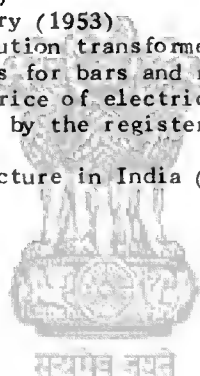
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GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY

New Delhi, the 31st December, 1953

RESOLUTION
(Tariffs)

No. 36(4)-T.B./53.- The Tariff Commission has submitted its Report on the continuance of protection to the Sericulture Industry on the basis of an enquiry undertaken by it under Section 11(e) read with Sections 13 and 15 of the Tariff Commission Act, 1951.

2. In its report the Commission has pointed out that though the Industry has been enjoying protection under a fairly high tariff wall for nearly two decades it has not made satisfactory progress. Both the quality and the quantity of indigenous production have not improved sufficiently. The proportion of filature silk is still very small. On the other hand the Commission has recognised the importance of sericulture as a cottage industry deserving every encouragement and support from Government.

3. After examining the problem in all its aspects the Commission has come to the conclusion that the protection granted to the industry should be continued for a further period of 5 years. The Commission considers, however, that the present rates of duty have inhibited demand by creating conditions for a rise in the prices of indigenous silk. It has, therefore, recommended that:-

- (i) A duty of 30 per cent. *ad valorem*, exclusive of surcharge, should be levied on raw silk (Tariff item No. 46);
- (ii) The existing duty of 31½ per cent. *ad valorem* (including surcharge) on silk waste and noils [Tariff item No. 46(1)] should be continued;

- (iii) The duty on silk yarn including thrown silk warps [Tariff item No. 47(a)] should be the same as on raw silk, viz., 30 per cent. *ad valorem*, exclusive of surcharge;
- (iv) A duty of 30 per cent. *ad valorem* exclusive of surcharge, should be levied on yarn spun from silk waste [Tariff item No. 47(b)];
- (v) The existing rate of duty, namely, 30 per cent. *ad valorem* exclusive of surcharge, on yarn spun from silk noils [Tariff item No. 47(c)] should be continued;
- (vi) The existing rate of duty, namely, 31½ per cent. *ad valorem* (inclusive of surcharge) on silk sewing thread [Tariff item No. 47(d)] should be continued;
- (vii) If the proposal for the reduction of the protective duty on raw silk to 30 per cent. *ad valorem* is accepted by Government, a compensatory duty of 30 per cent. *ad valorem* exclusive of surcharge, would be more than adequate for the protected varieties of silk fabrics [i.e., Tariff items Nos. 48(a), 48(b) and 48(c)].

4. The above recommendations involve a reduction of the existing rates of duty under (i), (iii), (iv) and (vii). Government have considered these recommendations most carefully. While they fully appreciate the desirability of reducing the price of raw silk, they doubt if costs can be reduced quickly by adopting improved methods of production, in a cottage-cum-small scale industry like sericulture. Further, owing to consumers preference for the imported raw silk and other factors, the market price of imported raw silk is much higher than the landed cost. A reduction in the import duty is, therefore, unlikely in the present circumstances to be passed on to the consumers. Government have therefore decided that the current rates of duties should not be reduced. The position will however be kept

under close and careful watch and suitable action taken if and when necessary. They agree that protection granted to the industry should be extended for a further period of 5 years from the 1st January, 1954.

5. The Commission has also made the following ancillary recommendations:-

- (1) The progress of the industry should be reviewed periodically once a year.
- (2) Quantitative basis should be adopted for import licensing of raw silk and imports of foreign silk should be rigidly regulated so as to allow only as much import as would be required to fill the gap between the country's requirements and the indigenous production. The issue of licences should be so administered as to ensure an even flow of imports into the country. To facilitate regulation of imports on the above lines, the Central Silk Board should collect each month from the various States figures of production of raw silk and forward such information to the Ministry of Commerce and Industry and the Import Control Authorities.
- (3) The present export control policy, which restricts export of silk waste to the surplus available after meeting the requirements of the spun silk industry should be continued.
- (4) State Governments should enact at an early date the necessary legislation for the establishment of cocoon markets and for regulating the prices of cocoons. The ceiling and floor prices of cocoons should be fixed at Rs. 1-6-0 and Rs. 1-4-0 per lb. respectively.
- (5) The Government of India should increase their grants to the Central Silk Board so as to enable the Board to extend increased financial assistance to the Central Sericulture Research Station, Berhampore, and to the Research Institute in Mysore.

- (6) The Governments of the various silk producing States should encourage research activities in their States by increased financial assistance.
- (7) Research, particularly in respect of mulberry cultivation and breed of silk worms, is of vital importance to the development of the Sericulture Industry. The Central Silk Board should, therefore, go ahead with its proposed scheme of setting up regional research stations with emphasis on the above two aspects and implement it as early as possible. For coordinating research activities of these regional stations a Central Research Station should also be established at a convenient place.
- (8) To enable the spun silk industry to obtain its raw material at economic price, the Central Silk Board should examine the question of fixation of a reasonable price for silk waste throughout India in consultation with the various State Governments concerned.
- (9) To enable the Commission to take timely action to suitably modify the scheme of protection if and when the c.i.f. prices fall appreciably below or rise above the figures adopted in this report, the Central Silk Board should collect monthly statistics of c.i.f. prices as well as the export quotation relating to raw silk in Japan and furnish them regularly to the Commission.
- (10) The Central Silk Board should appoint a Committee of its own, composed of experts, to go into the question of (i) suitability of the existing as well as proposed areas for mulberry cultivation (including trees), (ii) improvement in the quality and yield of mulberry leaves and (iii) improvement in the renditta. Any extension of the existing area or introduction of sericulture in new areas should be undertaken only on the advice of this Committee.

(v)

- (11) The Central Silk Board should initiate a scheme at an early date for improving the quality of the indigenous charkha silk by the use of improved types of charkha basins. So far as filature is concerned, the quality should be improved as in Japan by the adoption of latest improved types of reeling filature machinery.
- (12) The Central Silk Board should take early action to ensure that the draft standards for raw silk are finalised and strictly adhered to by the producers of silk. As regards silk cocoons, silk yarn and silk fabrics, the Silk Board should lay down the order of priorities and have standards formulated by the Indian Standards Institution accordingly.
- (13) The industry should take all possible steps to improve the quality of the indigenous silk and also to reduce its price.

6. Government will take necessary steps to implement them as far as possible and would take this opportunity of drawing the attention of the industry to recommendation (13).

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L. K. JHA,

Joint Secretary to the Government of India.

REPORT ON THE CONTINUANCE OF PROTECTION TO THE SERICULTURE INDUSTRY

1. Four tariff inquiries into the sericulture industry were undertaken by the Tariff Boards successively during the years 1933, 1938, 1948 and 1951, the first three were detailed inquiries while the fourth was a limited inquiry, under Section 4(1) of the Indian Tariff Act, 1934, to determine the adequacy or otherwise of the quantum of protection to the industry. The conclusions arrived at and recommendations made by the late Tariff Boards as a result of these inquiries and action taken by Government on those recommendations are briefly summarised in the following paragraphs:-

(a) *Tariff inquiry of 1933:-* The first inquiry into the claim of the Indian sericulture industry for protection or assistance was undertaken by the Indian Tariff Board in 1932-33. In its Report submitted to Government in May, 1933, the Tariff Board came to the conclusion that the raw silk industry was not an infant industry but an old established one occupying an important place in the economic structure of India, with great natural advantages for development and deserving protection from extinction through competition from imports from China. The Board recommended protection for the industry for a period of five years. The Board also made certain ancillary recommendations, namely the reduction of duty on imported silk worm seeds from 25 to 15 per cent *ad valorem*. State assistance for research, legislative action, whenever necessary, for the use of disease-free seeds, facilities for sericultural education, establishment of conditioning houses and generous financial assistance by the Centre and States for an all-round development of the industry in India. Government accepted the recommendation of the Board for granting protection

to the industry for a period of 5 years upto 31st March, 1939 and incorporated the scheme in the Indian Tariff (Textile Protection) Amendment Act, 1934.

(b) *Tariff inquiry of 1938:-* The question of continuance of protection to the sericulture industry after 31-3-1939 was again referred to the Indian Tariff Board on 9th April 1938. After conducting necessary inquiries, the Board submitted its Report in December, 1938. The Board came to the conclusion that the industry faced unfair competition principally from imports from Japan although low prices of Chinese silk in 1938 (due to abnormal condition then prevailing in China) also affected adversely the Indian industry. They also foresaw the possibility of keener competition in the immediate future by reason of the then existence of frozen stocks of silk in the hands of Japanese Government. Though protective duties could not entirely eliminate the effect of unfair competition, they felt that such duties could undoubtedly mitigate its effects. They further found that the Indian raw silk industry satisfied the three main conditions for the grant of protection laid down by the Fiscal Commission of 1922 and that the objection to it on the ground that raw silk was a raw material had been neutralised by the imposition of a counter-vailing duty on the finished article. They, therefore, recommended continuance of protection to the sericulture industry for a further term of five years from 1-4-1939 at suitably modified protective duties recommended by them. But before Government could take any decision on the above recommendations of the Tariff Board (1938) the Second World War broke out. The protective duties then in force were, therefore, extended from time to time upto 31st March, 1949, by the Protective Duties (Continuation) and the Indian Tariff (Amendment) Acts.

(c) *Tariff inquiry of 1948:-* The question of continuance of protection to the sericulture industry after 31-3-1949 was referred to the Tariff Board by Government

on 26th April, 1948. The Board's Report was submitted to Government on 7th March, 1949. The Board admitted the claim of the industry for continuance of protection and recommended continuance of protection for three years from 1st April, 1949 at modified rates of protective duties. The Board also recommended other forms of assistance to the industry. Since Government could not come to a decision before 31st March, 1949, on which date the protection to the industry was due to expire, Government extended the period of protection for a period of two years up to 31st March, 1951, by the Protective Duties (Miscellaneous Provisions) Act, 1949, at the old rates of duties pending the issue of a Notification under Section 4(1) of the Indian Tariff Act, 1934, giving effect to Government's decision on the Board's Report. Government's decision was announced on 25th April, 1949 and all the recommendations of the Board were accepted by Government except in regard to the duty relating to I.C.T. item No. 48(b) in which case Government decided that, having regard to revenue and other considerations, the rate of duty should be the same as that on item No. 48(a). With regard to the other forms of assistance recommended, Government stated that appropriate action would be taken on them. The protective duties were subsequently extended up to 31st March, 1952 under the Indian Tariff (Amendment) Act, 1951.

During 1950 and 1951, on the recommendation of the Tariff Board under Section 4(1) of the Indian Tariff Act, 1934, the rates of protective duties on raw silk and silk yarns only [I.C.T. items Nos. 46, 47(a) and (b)] were revised three times in consonance with the variations of the c.i.f. prices of imported raw silk. Under the Finance Act, 1951, a surcharge of 5 per cent. of the total duty on I.C.T. items Nos. 46, 46(1), 47 and 47(1) and of 55 per cent of the total duty on item No. 48 was imposed.

(d) *Tariff inquiry of 1951*:— An inquiry under Section 4(1) of the Indian Tariff Act, 1934, was undertaken by the

Board in November, 1951, to determine whether a revision of the rates of protective duties was necessary. In its Report submitted to Government on 5th December, 1951, the Board recommended that the period of protection to the sericulture industry which was due to expire on 31-3-1952, should be extended for a further term of nine months upto 31-12-1952 but recommended modifications in the rates of duties on certain items, as under:-

I.C.T. item number.	The then existing rate of duty.	Modified rate of duty recommended.
46. Silk, raw and cocoons.	30 per cent <i>ad valorem</i> plus Rs. 6-8-0 per lb. plus 5 per cent of the total duty.	30 per cent <i>ad valorem</i> plus Rs. 3-14-0 per lb.
17(a). Silk yarn including thrown silk warps but excluding sewing thread.		
47(b). Silk yarn spun from silk waste excluding sewing thread.	31½ per cent <i>ad valorem</i> .	30 per cent <i>ad valorem</i> plus Rs. 5-0-0 per lb.
48(a). Silk fabrics - Pongee.	75 per cent <i>ad valorem</i> plus Rs. 5-8-0 per lb. plus 55 per cent of total duty.	35 per cent <i>ad valorem</i> .
48(b). Silk fabrics - Fuji, Boseki and corded (excluding white cord).	75 per cent <i>ad valorem</i> plus Rs. 5-8-0 per lb. plus 55 per cent of the total duty.	40 per cent <i>ad valorem</i> .
48(c). Silk fabrics - other sorts.	75 per cent <i>ad valorem</i> plus Rs. 4-0-0 per lb. plus 55 per cent of the total duty.	35 per cent <i>ad valorem</i> .

NOTE:- The duties recommended by the Board were exclusive of surcharge.

Other recommendations made in the Tariff Board's Report (1951) were as follows:-

- (1) Imports of silk worm seeds should be allowed free of duty.

- (ii) In view of the fact that the fixation of a monetary ceiling for the imports of raw silk will not ensure the desired volume of imports, in as much as the quantity actually imported will depend upon the prices in the exporting countries and also of the fact that the volume of imports has a direct bearing on the market prices of silk in the country, the quantities of imports, if import prices fall, should be so adjusted as to meet the gap between the estimated demand and the domestic production.
- (iii) The request of the Government of Mysore for adequate financial assistance from the Central Government for the development of the sericulture industry in that State should be referred to the Central Silk Board for consideration.
- (iv) The suggestions made to the Government of India to the effect that powers should be taken under the Essential Supplies (Temporary Powers) Act to regulate the prices and distribution of imported silk deserve a thorough examination by Government.
- (v) Since artificial silk has at times been the subject of rampant speculation which had its repercussion on the prices of raw silk and since any measure to check speculation in artificial silk will be beneficial to the raw silk trade also, it is considered that when the proposed legislation for regulation of forward contracts is enacted, the desirability of applying it to artificial silk should receive consideration by Government.

In the Ministry of Commerce and Industry, Resolution (Tariffs) No. 36-10-T.B./51, dated 29-3-52, Government accepted the Board's recommendations for revision of duties except in the case of silk fabrics [I.C.T. items Nos. 48(a),

(b) and (c)]. Government considered that silk fabrics were an "article of luxury" and the existing rates of duty on them were, therefore, not reduced.

As regards the other recommendations, Government accepted recommendations (i), (ii) and (iii) stated above. Recommendation (iv) was stated to be under consideration. As regards recommendation (v) Government stated that it would be considered at the appropriate time. Government's decision to remove the whole of import duty on silk worm seeds was announced in the Ministry of Finance (Revenue Division) Notification (Customs) No. SRO 125 dated 17-1-53. Government have since informed the Commission that 'Raw silk cannot be regarded as "essential" to the life of the community in the sense in which the term is interpreted in the context, and cannot, therefore, be included in the schedule of goods to which the Supply and Prices of Goods Act, 1950, applies. For the same reasons the Government of India have decided that it is not possible to regard raw silk as an essential commodity for purposes of the Essential Supplies (Temporary Powers) Act.

In its Report the Tariff Board had also recommended that "while the estimate of the fair selling price of raw silk given in para.8 (f) should remain valid during the extended period of protection, the position regarding the c.i.f. prices of imported silk should be reviewed by the end of June, 1952." This recommendation was accepted by Government. The Commission accordingly undertook the review of protection to the sericulture industry vis-a-vis the c.i.f. prices of imported silk in June, 1952, as furnished to the Commission by the Embassy of India in Japan. On the basis of the then prevailing c.i.f. prices, the Commission came to the conclusion that no modification in the existing rates of protective duties on raw silk, silk yarns and silk fabrics was called for. In connection with that review, it was brought to the notice of the Commission by some manufacturers that owing to an increase in dearness

allowance payable to employees and the introduction of Compulsory Provident Fund and State Insurance Schemes, the manufacturing charges of raw silk had gone up. The manufacturers, therefore, claimed suitable allowance on this account. They also asked for an allowance to offset alleged consumers' prejudice. As it was not possible to admit the claim of the industry for an increase in the manufacturing charges without a fresh examination of cost of production, and to assess the extent of consumers' prejudice without holding discussions with the interests concerned and further, as the Embassy of India in Japan had stated that the export prices of Japanese raw silk and silk yarns for July-August shipments would be 15 to 16 cents per lb. lower than the prices prevailing in June, 1952, the Commission decided to go into the issues fully while examining the question of continuance of protection to the industry.

2. In its last Report on the sericulture industry submitted to Government in December, 1951, the Indian Tariff **Present** Board had recommended continuance of protection **Inquiry.** to the sericulture industry for further term of nine months from 1st April to 31st December, 1952. The Government by their Resolution (Tariffs) No.36-10-T.B./51 dated the 29th March, 1952, in the Ministry of Commerce and Industry accepted this recommendation and protection to the sericulture industry was accordingly continued upto 31st December, 1952, by the Indian Tariff (Second Amendment) Act, 1952. As the Tariff Commission could not conduct the necessary inquiries before 31st December, 1952, into the question of continuance of protection beyond 31st December, 1952, the Commission recommended an *ad hoc* extension of protection by one year upto the 31st December, 1953, pending a detailed inquiry and submission of its Report thereon. to Government during 1953. This recommendation was accepted by Government and protection upto 31st December, 1953, was continued by the Indian Tariff (Fourth Amendment) Act, 1952. The present inquiry into the question of continuance of protection to the industry has been undertaken under Section

11(e) read with Sections 13 and 15 of the Tariff Commission Act under which the Commission can investigate into the working of protection granted to an industry and can, on its own motion, inquire into further action to be taken in relation to the protection granted to an industry, with a view to its increase, decrease, modification or abolition according to the circumstances of the case.

3. (a) Special questionnaires were issued on 6th September, 1952, to all State Governments to obtain detailed information on the present position of the sericulture industry in their States and the progress made since the tariff inquiry of 1948-49. On the same date questionnaires were also sent to the important known consumers of raw silk. The Secretary, Central Silk Board, New Delhi (now Bombay) was requested to furnish a memorandum on the position of the industry, the nature of foreign competition facing the industry, implementation of the recommendations made in the Tariff Board's Reports, etc. On 12th September, 1952, another special questionnaire was sent to all the known producers of silk in the country. Producer and trade associations were also supplied with copies of producer and consumer questionnaires respectively and requested to furnish a memorandum to the Commission on the various points raised in the questionnaires. Questionnaires to importers were also issued on 12th September, 1952, asking for information regarding landed costs and selling prices of recent imports of raw silk and silk yarns and other related information. The Collectors of Customs were requested to intimate to the Commission the c.i.f. prices of latest consignments of raw silk and silk yarn imported through their ports. The Embassy of India in Japan, Tokyo, was also addressed for information on the 'current' prices of Japanese raw silk and silk yarn and the likely trend of prices in the future. The Indian Standards Institution, New Delhi, and the Officer-in-Charge, Central Sericulture Research Station, Berhampore (West Bengal), were also addressed for information on specific points relating

to the inquiry. A press note was issued on 12th September, 1952 that the Commission had taken up the inquiry into the question of continuance of protection to Sericulture industry after 31st December, 1952 and special questionnaires for producers, importers and consumers were ready for issue to interested parties. A list of the persons/firms/associations/Government Departments to whom the Commission's questionnaires were sent and those who replied or sent memoranda is given in Appendix I.

(b) Mr. B.N. Das Gupta, Member, visited a few representative sericulture farms, nurseries and filature units in Mysore State on 21st and 22nd March, 1953. He visited the Government Sericulture Farm and the Central Sericulture Research Station in Berhampore (West Bengal) on the 7th April, 1953. He also visited the village of Islampur (West Bengal) and heard the views of silk handloom weavers.

(c) Mr. R. Sundaram, Cost Accounts Officer attached to the Commission, visited Kollegal area in Madras State between 21-2-1953 and 28-2-1953 and the representative sericultural units in Mysore State between 1-3-1953 and 18-3-1953 for purposes of examining the cost of production of mulberry leaves, cocoons, raw silk and silk yarns. A list of mulberry gardens and factories visited by him for purposes of investigation of cost of production is given in Appendix II.

(d) A public inquiry into the industry was held in the Commission's office in Bombay on 30th April and 1st May, 1953. A list of persons who attended the inquiry and gave evidence before the Commission will be found in Appendix III.

4. The scheme of protection to the sericulture industry since the first tariff inquiry has been based on the cost of production of mulberry raw silk. At the public inquiry held on 30th April, 1953, the representatives of the various interests generally agreed that any measure of protection granted to the mulberry silk industry

would also adequately protect the non-mulberry section of the industry.

5. The Sericulture Industry in India has enjoyed tariff protection for nearly two decades now, and it is, therefore, necessary to review the progress of the industry in order to ascertain how far the industry has taken advantage of tariff protection to consolidate its position and to come up to the standard obtaining in foreign countries. On an overall view, we have to state that while improvement has been recorded in some directions, the industry has not progressed as much as one would expect it to have done during nearly two decades of protection. The production of raw silk has not improved sufficiently. The proportion of filature silk is still very small. The quality of indigenous production is not yet higher than the International 'D' grade.

Sericulture in one form or other, is carried on in fourteen States, namely, Mysore, West Bengal, Madras, Jammu and Kashmir, Assam, Punjab, Bihar, Himachal Pradesh, Bombay, Madhya Pradesh, Uttar Pradesh, Madhya Bharat, Hyderabad and Orissa. In only five States, however, viz.; Mysore, Madras, Jammu and Kashmir, West Bengal and Assam it forms a major occupation for the population, and Mysore alone produces about 65 per cent. of raw silk in the country. In the States of Mysore, Madras and Jammu and Kashmir, sericulture is almost exclusively of mulberry type; in Assam and West Bengal, on the other hand, it is of both the mulberry and non-mulberry types. In Assam, however, it is predominantly of the non-mulberry type.

We propose to review briefly below the following aspects of the development and present position of the sericulture industry:

- (a) Area under mulberry cultivation, yield of leaves, etc.
- (b) Production and supply of silk worm seeds.
- (c) Reeling of raw silk.

- (d) Production of raw silk, silk waste and spun silk yarn.
- (e) Non-mulberry silk.
- (f) Assistance rendered in each State and the machinery for giving such assistance.
- (g) Research.

(a) *Area under mulberry cultivation, yield of leaves, etc.* In 1931-32 the total area under mulberry (bush) cultivation in the three States of Mysore, Madras and West Bengal was estimated at 68,105 acres. In 1951, the total area of mulberry (bush) cultivation in these States was reported to be 144,957 acres. The area under cultivation in each of the three States since 1931-32 has been as follows:-

Name of the State	1931-32	1937-38	1948	1951
Mysore	37,000	26,500	80,000	110,000
Madras	6,105	7,060	21,633	23,070
West Bengal	25,000	10,000	15,000	11,887
Total	68,105	43,560	116,633	144,957

The number of mulberry trees was estimated at 12 to 15 lakhs in the year 1948 in the State of Jammu and Kashmir; in 1951 it has been estimated at 17.5 lakhs. The total number of trees in the whole country is stated to be about 3 millions. The following statement shows the area under mulberry cultivation and number of mulberry trees in the different States during the year 1951:-

(Statement on next page)

STATEMENT SHOWING THE AREA UNDER MULBERRY CULTIVATION AND NUMBER OF MULBERRY TREES IN THE DIFFERENT STATES OF INDIA DURING THE YEAR 1951.

State	Acreage under mulberry cultivation	Number of mulberry trees
1. Mysore	110,000	
2. Madras	23,070	
3. West Bengal	11,887	25,000
4. Jammu & Kashmir	-	1,750,000
5. Himachal Pradesh	-	15,000
6. Punjab (I)	80	80,000
7. Assam	1,450	956,000
8. Bihar	200	3,000
9. Bombay	135	31,400
10. Uttar Pradesh	7	150,000
11. Orissa	12	700
12. Madhya Bharat	7	200
13. Travancore-Cochin	20	-
14. Hyderabad (Deccan)	100	600
15. Saurashtra		24
TOTAL	146,968	3,021,924

Source: Central Silk Board.

In the State of Mysore the irrigated area under mulberry cultivation has also increased as shown by the following table:

	1931-32		1952	
	Acres	%	Acres	%
Rainfed	27,400	74	85,000	82
Irrigated	9,600	26	19,000	18
TOTAL	37,000	100	105,000	100

The yield of mulberry leaves has been increasing with the increase in the acreage under mulberry cultivation. Steps have also been taken to supplement the yield of leaves by cultivation of trees in bush mulberry areas of Madras and West Bengal and by the cultivation of bush mulberry in the predominantly tree mulberry area of Jammu and Kashmir. Attention has also been paid to increase the yield of leaves per acre by the cultivation of improved types of mulberry grafts. In the State of Mysore, it is reported that during the last 10 years improved mulberry grafts have been cultivated over about 20 acres which are likely to raise the output of leaves from 4,000 lbs. to 7,000 lbs. per acre on an average. It is further reported that in the experimental farms an output of 14,000 to 15,000 lbs. of leaves per acre has been realised. A definite improvement is noticeable in the case of irrigated areas where the yield of leaves, has increased from 7,000 to 10,000 lbs. per acre in 1931-32 to 10,000 lbs. in 1948 and 13,000 lbs. to 14,000 lbs. in 1951. The State has a scheme for planting the existing mulberry area with improved grafts during the next 7 years which would increase the total yield by about 70 per cent.

In Madras, efforts were directed ten years ago towards increasing the output of mulberry leaves by the cultivation of superior mulberry grafts of 'Berhampore variety'. This is expected to raise the yield by about 50 per cent. The State has no scheme to expand mulberry cultivation beyond 30,000 acres from the present area of 21,906 acres. To increase the cultivation of superior varieties the State Government has been advancing a loan of Rs. 50 per ryot and it is reported that the State will continue to advance the loan until the target of 30,000 acres is reached.

In West Bengal, attempts are being concentrated on improving the yield in the existing mulberry areas, as a result of which the production of leaves per acre has increased from 110 maunds to 130 maunds, i.e., from 9,020 lbs. to 10,660 lbs. per acre. The State is also experimenting on improved grafts which are issued free to cultivators.

The State Government of Jammu and Kashmir has already taken up very seriously the question of rejuvenation of old mulberry trees. The old trees have been transplanted with new improved varieties and the number so transplanted from 1949 is as follows:-

1949	...	1.41	lakh	trees
1950	...	1.63	"	"
1951	...	1.04	"	"
1952	...	1.23	"	"

In the State nurseries seedlings are raised and grafts and seedlings which are 3 or 4 years old are distributed free among the zamindars for successful planting. The State is aiming at the distribution for transplantation of about 2½ lakh trees annually in the near future.

The Central Silk Board has taken active interest in increasing the quantum of output of leaves per acre. In 1951 the Silk Board imported 20,000 mulberry saplings of improved and tested varieties from Japan, which were distributed amongst Mysore, Madras and West Bengal. As these saplings were transported by steamer, due to the delay involved it was reported that not more than 10 per cent. saplings were found to be live when they actually reached the various States. The live saplings were multiplied in the various State nurseries and experimental farms and distributed to the mulberry cultivators. The Silk Board proposes to import by plane another consignment of 20,000 saplings of improved and tested variety from Japan for distribution amongst the various States including Jammu and Kashmir.

(b) *Production and supply of silk worm seeds:* The requirement of each State in the matter of seed supply is met in increasing proportions by internal production in the States. Mysore which met only 27 per cent. of its total requirements of seed by local production in 1931-32 met 35 to 40 per cent. in 1948 and as much as 73 per cent. in 1951-52. In the case of Madras, the percentage has increased from 10 in 1931-32 to 60 per cent. in 1948 and 80

per cent. in 1952. The position in West Bengal is that as against an annual requirement of about 185,000 ozs. of seed layings, the State produces 76,000 ozs. and expects to be self-sufficient in this respect in the next five years. The States of Assam and Jammu and Kashmir are now more or less self-sufficient in their annual requirements of seed cocoons. In Kashmir, imports of seed are made only for purposes of reproduction.

There has also been a steady improvement in all the States in the supply of disease-free silk worm seeds. In Mysore, the production of cross-breed layings has been rapidly on the increase, from 565,939 in 1931-32 to 7,000,000 in 1937-38, 17,488,000 in 1948-49 and 25,790,000 in 1951-52. All the States are taking active steps to ensure full and adequate supply of disease-free seed cocoons to rearers. The Silk Worm Seed (Control and Distribution) Act, passed by the Mysore Assembly in July, 1952, is being introduced in the State by stages and the whole area will be covered in four years. There is, however, no legislation in the State of West Bengal for prohibiting silk worm rearers from using un-examined seeds for commercial rearings; but several Government and aided grainages have been established to supply disease-free seeds to the general rearers. Various precautionary measures are being taken by the State Department for prevention of silk worm diseases. The Madras Silk Worm Disease (Prevention and Eradication) Act, 1948, is in force in Kollegal Taluk. In the State of Jammu and Kashmir, production and possession of silk worm eggs except under Government authority are prohibited. In Assam, the Government have only postponed to a more appropriate date, the introduction of legislation prohibiting the use of un-examined seed until proper arrangements for full supply are made.

The effect of research and improvement made towards production of good quality disease-free seeds is reflected in the increasing yield of cocoons per ounce of seed. The

following comparative table giving the average yields in 1931-32, 1937-38, 1947-48 and 1951-52 for different States would indicate the measure of success achieved in improving the quality of seeds:-

AVERAGE YIELD (IN LBS.) OF COCOONS PER OUNCE OF SEED

State	1931-32	1937-38	1947-48	1951-52
1. Jammu & Kashmir.	84 to 86	62 to 87	-	68
2. West Bengal	48	28 (Nismo)	47 (Bara-pally) 56 (Nistari) 80 (Hybrid)	83 (Hybrid) 95 (Fi-type)
3. Madras	60	63 (Cross-breed) 49 (Pure Mysore)	67-68	90 (Local race) 56 (Foreign race)
4. Mysore	50	50 (Pure Mysore) 70 (Cross-breed)	77	63

There has been a steady improvement in the number of seed grainages (Government and private) and nurseries in all the States. There were only 16 aided grainages in Mysore in 1931-32. The number of grainages has since increased to 24 Government grainages and 136 aided grainages in 1952 besides a large number of private grainages. In West Bengal there are 17 Government grainages and 28 State aided ones and in Madras there are 6 Government grainages, 30 State aided ones and 20 private grainages.

(c) *Reeling of raw silk*: There has been a steady improvement in the methods of reeling. Under the direction of the Central Silk Board experiments on modern reeling machines for filature silk are being conducted in the various States. Improved types of Charkhas have also been introduced. Latest types of Japanese multi-end reeling machinery is gradually being put into use. The proportion of the production of filature raw silk to the total raw silk production has also been gradually increasing with the setting up of more and more filature units.

In 1931-32 the average renditta (filatures) obtained was 19 in Mysore and 15½ to 17 in Madras. Mysore reported 17 in 1951, but due to failure of monsoon it has slightly increased to 17.5 in 1952. The Mysore Silk Filatures Ltd., T. Narsipur, has, however, reported 16.75 for the period January-June, 1952. The renditta reported by Madras in 1952 is as follows: Production-cum-training centres, 16; Government Silk Filatures, Kollegal, 18 to 19; and Charkhas, 13 to 14. The renditta reported by West Bengal is 18 for indigenous and 16 for hybrid variety. The Government of Jammu and Kashmir have reported an average renditta of 15.77 for 1951-52. They have stated that but for adverse weather conditions better results would have been obtained.

The quality of Indian raw silk has also considerably improved during the period of protection. The charkha silk cannot be classified under the International Standards; only filature silk can be so classified. While in 1933, the Indian filature raw silk was considered to be far below the International grade, during the tariff inquiry in 1948-49, it was considered that the general bulk of raw silk produced in India was just below the International 'G' grade. At the public inquiry held in November, 1951, the consensus of opinion was that the indigenous filature silk corresponded to International 'D' grade. Further improvement is now claimed by the producers.

For controlling the quality of raw silk produced in the country, conditioning facilities have been provided in recent years. For the silk produced in Kashmir, conditioning and testing facilities exist in the Government Silk Factory, Srinagar. In Mysore, there is a Government Silk Conditioning and Testing House at Chennapatna equipped with the latest machinery for testing. The Government of Mysore propose to erect another silk testing house at Bangalore. A full-fledged Government Silk Conditioning House exists in Calcutta since 1943 for testing raw silk produced in West Bengal. The Government of West Bengal propose to set up some more

silk testing units in important silk reeling centres in the State. There is, however, only a silk testing section attached to the Government Silk Filatures, Kollegal (Madras). When the research laboratories of the Bombay Silk and Art Silk Mills' Association are set up, testing facilities for raw silk will be available at Bombay also. There is a sericultural section attached to Government Institute at Bangalore since 1949. The Government of Mysore also propose to start a full-fledged Sericulture Research Institute.

(d) *Production of raw silk, silk waste, and spun silk yarn:*

(i) *Production of raw silk:* The progress of the industry in regard to production of mulberry raw silk since 1931-32 may be seen from the following figures:-

<u>Year</u>	<u>Production</u> (in lakh lbs.)
1931-32	20.69
1937-38	15.22
1948	21.43
1949	21.04
1950	21.27
1951	19.25
1952	17.43

Until about 1943 when the Government of India launched their Silk Expansion Scheme the production of filature silk was confined largely to Jammu and Kashmir. During the war period owing to the impetus provided by the increased demand from Defence Services for superior quality raw silk for the manufacture of parachute, the production of filature silk was undertaken in Mysore, Madras and West Bengal. The production of charkha and filature silk since 1949 in the various silk producing areas is given in Appendix IV. The proportion of filature silk is still considerably low as compared with charkha silk and the following figures of production are significant.

(Figures in lakh lbs.)

Year	Filature	Charkha	Total
1949	2.44	18.60	21.04
1950	2.53	18.74	21.27
1951	2.65	16.60	19.25
1952	2.71	14.72	17.43
Annual average }	2.58	17.16	19.74

It will be seen that the average production of filature silk during the 4 years in question was as low as 13 per cent.

(ii) *Production of silk waste:* The following statement shows the production of silk waste in the country since 1931-32:-

<u>Year</u>	<u>Production</u> (in lakh lbs.)
1931-32	10.35
1937-38	9.26
1950	11.97
1951	9.85
1952	9.05

It may be seen that the trend of production of silk waste has been more or less similar to that of raw silk. The production of waste, however, shows an appreciable improvement as compared with the pre-war period. For instance, in 1937-38 the production of silk waste per lb. of raw silk was 0.61 while in 1952 it amounted to only 0.52. The decline in the output of silk waste per lb. may be taken as indicative of the improvement in the quality of raw silk.

(iii) *Production of spun silk yarn:* The only spun silk mill in the country is the Mysore Spun Silk Mills Ltd., Chennapatna. The production of spun silk yarn in this mill since 1949 is given below:-

<u>Year</u>	<u>Production</u> (lbs.)
1949	92,382
1950	86,059
1951	81,494
1952	30,791

The average production of spun silk yarn during the period 1949 to 1951 was about 83,000 lbs. while in 1952 the production was about 31,000 lbs. The capacity of the Mills has been estimated at about 1 lakh lbs. The low utilisation of the capacity in 1952 has been attributed by the industry to the uneconomical cost of the raw material, viz., silk waste, the price of which rose abnormally during the year. The production of raw silk has not shown any improvement as compared with the pre-war period. Actually the production in 1952 is lower than that in 1931-32 by about 16 per cent. in spite of the fact that the area under mulberry cultivation has increased considerably during this period. The lack of progress in production has been attributed by the industry mainly to the fact, that while during the protection period before the last war the industry had to face severe foreign competition from China and Japan, during the last about 4 years the industry suffered a serious setback as a result of adverse climatic conditions. In addition to this, the industry in Kashmir, which before the war depended upon imports for nearly 50 per cent. of its requirements of seed was thrown upon its own sources during the war-period when the imports of seed were cut off. This State does not possess a silk worm race of its own. Considerable research has, therefore, to be directed towards evolving a suitable indigenous race. Further, during the last war and thereafter the industry undertook the manufacture of filature silk. The cumulative effect of these factors is stated to have accounted for the low yield during the last few years as compared with the pre-war period.

(e) Non-mulberry silk: Production of non-mulberry raw silk in the country in 1931-32 was estimated by the Tariff Board (1933) at 551,000 lbs. as per details given below:-

Tassar silk	401,000 lbs.
Muga silk	100,000 lbs.
Eri silk	50,000 lbs.
Total:	<hr/> 551,000 lbs.

Tassar silk in 1938 was stated to have increased to 4.80 lakh lbs. according to the Tariff Board (1938), while the production of the other two varieties remained almost the same. In the last few years, the production of non-mulberry silk has expanded. A statement showing State-wise production of this variety of silk since 1949 as furnished by the Silk Board is given in Appendix V.

The total annual production of non-mulberry silk in the country since 1949 was as under:-

<u>Year</u>	<u>Production of</u> <u>non-mulberry silk</u> (Million lbs.)
1949	0.80
1950	0.79
1951	0.79
1952	0.80
Average	0.796

The Non-mulberry silk producing States are only 5 in number, viz., Assam, West Bengal, Bihar, Orissa and Madhya Pradesh. Assam is the largest producer of non-mulberry raw silk. Muga variety of non-mulberry raw silk is produced only in the State of Assam, Eri variety in the three States of Assam, Bihar and Orissa and the third variety, viz. Tassar, in the four States of West Bengal, Orissa, Bihar and Madhya Pradesh.

(f) Assistance rendered in each State and the machinery for giving such assistance:

In the State of Jammu and Kashmir, production of raw silk is a State monopoly. In all the other States, the industry is being developed with the active participation of Government which provide grants-in-aid, training centres, research facilities and all other forms of assistance. In Mysore, sericulture is practised as a subsidiary occupation by the agriculturists and in view of its importance to the rural economy, the industry was placed under the care of a separate Department of Sericulture which has been functioning

since 1920. The Department ensures full and adequate supply of disease-free seed cocoons to rearers. Government have enacted the Silk Worm Seed (Control of Distribution) Act, 1952, making it compulsory for rearers to use disease-free seeds. To utilise the large quantity of silk waste produced in the State, the Government of Mysore started in 1939 a spun silk mill, the Mysore Spun Silk Mills Ltd.; Chennapatna, the only mill of its type in the country. Their present spindlage is 6,000. Recently (about a year ago) a Japanese spun silk expert has been employed by the Mills. Under his guidance and as a result of the changes in production materials and technical operations and the remodelling of some of the machinery, the quality of yarn produced by the Mills is stated to have improved considerably.

The industry in West Bengal is being actively aided by the State which provides assistance, advice and supervision for scientific development at all stages, viz., cultivation of mulberry, rearing of cocoons, reeling of raw silk, etc. There is one training institute (Bengal Textile Institute, Berhampore) for the training of artisans and supervisory experts. Two training centres have been opened at Kalimpong and Kurseong in Darjeeling district. A Department of Sericulture under a Deputy Director of Industries is looking after the development of the sericulture industry. The State Government has proposals to set up more silk testing institutes in important silk reeling centres, besides the Government Silk Conditioning House, Calcutta. Under the Industries Directorate, a scheme for development of the silk industry on a co-operative basis has been prepared for the production of improved variety of raw silk and distribution of both indigenous and imported silk to the weavers at reasonable prices.

In the State of Madras, a separate sericulture section under the Department of Industries and Commerce has been functioning since 1919 imparting technical knowledge and providing facilities for training in sericulture in India and abroad with the assistance of the Central Silk Board.

The Department has started welfare schemes for the labour engaged in sericulture activities in the Kollegal taluk. Ericulture and tassar culture have also been started on an experimental scale in certain tracts. Promotion of ericulture in the castor farms of the two districts of Bellary and Anantapur and development of tassar industry in certain hill tracts of East Godavary District have been included in a five year plan of the State for the development of the industry. With a view to demonstrating the importance of the improved methods of sericulture, Government farms are equipped with improved agricultural implements. There are two big nurseries, one at Hosur and another at Kollegal, for raising mulberry root grafts. Assistance for mulberry cultivation is granted in the form of loans, remission of land assessment for 3 years, free distribution of seed cuttings for new enterprises, free supply of thorns for mulberry gardens, etc. Disease-free silk eggs are also supplied. 80 per cent. of seed requirements are met by the Government and aided grainages. The Madras Silk Worm Diseases (Prevention and Eradication) Act, 1948 is in force in Kollegal Taluk. As in Mysore State, the use of unexamined silk worm eggs is proposed to be prohibited very soon by legislation and organised cocoon markets will be established for better regulation of buying cocoon crops from rearers and selling them to licensed reeling establishments, both filatures and charkha. In regards to the supply of indigenous seed cocoons for hybridisation work, the Department has organised seed centres on sound lines in Hosur and Kollegal Taluks with the active co-operation of private seed rearers. The seed rearers are assured of a steady and fair price for the seed cocoon produced by them during all seasons and the Department has undertaken to purchase the entire production of seed cocoons.

In Assam, the State Government is running a full-fledged Department of Sericulture, with six sericultural farms and one sericultural training institute. In the Punjab, the industry is aided and technically guided by the State with

a Superintendent of Sericulture functioning under the Directorate of Industries. In Bihar, sericulture is an important subsidiary industry and recently attempts have been made to put it on a sound basis under an Assistant Director of Cottage Industries. Besides supplying seeds free of cost, expert advice is given to sericulturists by the Department, which has recently started two Tassar Silk Supply and Research Stations and two sub-stations for developing the tassar silk industry. The State proposes to start one more station and one more sub-station in the near future. For developing ericulture two eri seed supply stations and two eri silk worm rearing and spinning institutions have been started. There is a mulberry seed supply and demonstration farm at Roshna and a Government Silk Institute at Bhagalpur imparting training to the people engaged in silk weaving, dyeing and printing, etc. Government have also proposals to start two mulberry filatures of two basins each, one at Bhagalpur and the other as an annexe to the mulberry seed supply station at Purnea. A scheme to start a spun silk mill is also under Government's consideration. In Himachal Pradesh, the whole sericulture activity is entirely managed by the Department of Sericulture of the State. There is one departmental grainage producing about two-thirds of the seed requirements of the State.

Bombay State is running a central experimental and training centre, a grainage farm and five sericulture farms. Further, the State is assisting the development of the industry by the following methods:- (i) Grant of interest free Taccavi loans; (ii) Full remission of land assessment under mulberry; (iii) Grant of subsidy of Rs. 50/- per acre if a cultivator produces 200 lbs. of cocoons per year per acre; (iv) Free supply of cuttings and silk worm seeds to the cultivators and (v) Provision of training facilities with the benefit of stipends at the Central farm at Hindalage (Belgaum). The Governments of Madhya Bharat, Hyderabad and PEPSU have also drawn up plans for development of sericulture industry in their respective States.

(g) Research (i) *The Central Silk Board*: The Government of India, recognising the importance of sericulture as a cottage-cum-small-scale industry and on the recommendation of the Silk Panel, constituted a statutory Central Silk Board in 1949 under the Central Silk Board Act, 1948 (Act No. LXI of 1948). The Board has been co-ordinating the activities of the various States for the development of the industry, mainly with regard to cultivation of mulberry and production of raw silk. The Board has been in receipt of a grant of 4.50 lakhs for the first year and of varying amounts for subsequent years from the Central Government. For the year 1953-54, the Government of India have sanctioned a grant-in-aid of Rs. 16 lakhs, which sum includes a special allocation of Rs. 11.50 lakhs from the Cottage Industries Budget.

During the period 1949-52, the Central Silk Board sanctioned a grant-in-aid of Rs. 4.05 lakhs to the States for the following purposes:-

- (i) to increase mulberry cultivation and to arrange the supply of superior quality mulberry grafts and seedlings to the cultivators;
- (ii) to conduct continuous research on silk worm nutrition with a view to increasing the yield of silk by feeding the silk worm with various kinds of protein materials;
- (iii) to encourage the production of disease-free silk worm eggs of cross-breed varieties for obtaining good quality reeling cocoons;
- (iv) establishment of voluntary cocoon markets to regulate the price of cocoons and to effect equitable distribution of cocoons to filatures and charkhas;
- (v) to encourage sericulture in new areas; and
- (vi) to organise statistical sections in Sericulture Department of States for collecting and furnishing reliable statistical information pertaining to the States.

In addition to the allotment of grants-in-aid to the States, the Central Silk Board spent about Rs. 2.50 lakhs for other development purposes as detailed below:-

- (i) The Board imported 20,000 mulberry saplings of improved and tested varieties from Japan and distributed them to the States for effecting improvement in the quality of indigenous mulberry.
- (ii) The Board's technical staff have been conducting experiments and demonstrations in various centres in the non-mulberry silk producing States of Assam, Orissa, Madhya Pradesh, Bihar and West Bengal with improved types of muga and tassar reeling and eri spinning machines.
- (iii) The Board has sent to Japan three technical officers of the Governments of Mysore, Madras and West Bengal for advanced study in sericulture industry in that country.
- (iv) The Board has imported four sets of Japanese reeling and testing machinery and distributed them to the State Governments of Madras, Mysore, West Bengal and Jammu & Kashmir for demonstration and experimentation.

The Standing Committee of the Central Silk Board which met at Bombay on 17-2-1953, on the recommendations made by the Technical Development Committee of the Board, allotted grants of Rs. 1.58 lakhs to the various States for the year 1953-54 for the following purposes:-

1. Continuation of the sericultural activities in the central mulberry graft nursery in Mysore and West Bengal.
2. Continuation of voluntary cocoon markets in Madras and West Bengal.
3. Visual education among the sericulturists (State Government to contribute an equal amount) in Madras.
4. Rearing of foreign races of univoltine and bivoltine silk worms in the hill station at Shillong.

5. Continuance of experimental research in mulberry cultivation at Titabar (Assam).
6. Establishment of foreign race seed stations (State Governments to contribute equal amounts) in the States of Madras, West Bengal and Jammu & Kashmir.
7. Continuance of silk worm nutrition scheme in Mysore.
8. Import of mulberry saplings from Japan for Mysore State.
9. Installation of automatic cooking machine in Mysore; and
10. Conducting trials on improved reeling appliances in Mysore and West Bengal.

Thus the Central Silk Board has played an important role in sericultural research. But it may take some years for achieving satisfactory results from these experiments.

(ii) The Central Sericulture Research Station, Berhampore.

The Central Sericulture Research Station, Berhampore, started in 1944, has been conducting research into the various branches of sericulture industry. Experiments are conducted in the four sections of the station, viz., (i) Biological section; (ii) Pathology section; (iii) Botanical section; and (iv) Bio-chemical section.

6. The Tariff Board at the inquiry held in 1948-49 estimated the demand for raw silk at 4 million lbs. and that domestic demand for silk fabrics at 5 million lbs. per year. From the information received by us from the various interests connected with the industry, it would appear that the demand has been gradually declining because of (i) greater use of synthetic fibres like artificial silk and rayon which are sold at cheaper prices and (ii) fall in the purchasing power of the consumers. The Central Silk Board has estimated the overall demand for raw silk at the current market price at 3 million lbs. per annum. The Mysore Silk Association, Bangalore, has, on the other hand, estimated the annual demand for raw silk at 2.4 million lbs. The Government of Mysore place the present demand to be at less

than 3 million lbs. but consider that with a rise in the standard of living, it might rise to about 3 million lbs. a year. The Government of Punjab and some of the importers have placed their estimates at 4 million lbs.

Since the price of raw silk has been subject to considerable fluctuations during the last few years and since the volume of imports was mainly governed by the Government of India's import control policy, we consider it to be reasonable to assess the demand on the basis of the average indigenous production of raw silk and the imports during the last three years. The indigenous production and imports during the period from 1950 to 1952 were as follows:-

(In million lbs.)

Year	Indigenous production			Imports	Total
	Mulberry raw silk	Non-Mulberry raw silk	Total		
1950	2.13	0.79	2.92	0.71	3.63
1951	1.92	0.79	2.71	1.21	3.92
1952	1.74	0.80	2.54	0.28	2.84
Annual average -	1.93	0.79	2.72	0.73	3.45

The available supply during the last three years amounted to 3.5 million lbs. per annum, on an average. The representatives of the importers present at the inquiry contended that the actual demand in the country was much greater than indicated by this figure because due to the restriction of imports the entire requirements could not be met. The representatives of the producers on the other hand maintained that due to the fall in the purchasing power of the people and the considerable increase in the price of silk, the demand could not be taken to be anything more than about 3 million lbs. After taking all the relevant factors into consideration, we have decided to adopt an estimate of 3.5 million lbs. In regard to the demand for silk fabrics it was agreed at the public inquiry that 1.5 million lbs. per year would be a reasonable estimate. As for spun silk yarn, the representative of the Spun Silk Industry represented that the demand would be of the order of about 1 lakh lbs. On the other hand, the importers contended that the demand

is much higher. Since the import of spun silk yarn was subject to considerable restriction, an estimate of demand could not be worked out on the basis of the aggregate of average production and average imports during the last few years. After taking various factors into consideration, we have estimated the annual demand for spun silk yarn at 1.5 lakh lbs.

7. The average annual output of mulberry silk during the period 1948-52 worked out to 2.01 million lbs. During Present production and the discussion at the public inquiry scope for future expansion. the general consensus of opinion was that the annual production of mulberry silk under normal conditions might be taken at about 2 million lbs. The annual production of non-mulberry silk under normal conditions is estimated at 0.8 million lbs. Thus the output of the industry of both mulberry and non-mulberry would be about 2.8 million lbs. per year. As already stated by us in the previous paragraph we have estimated the demand for raw silk at 3.5 million lbs. There is, therefore, further scope for the expansion of the industry. To increase the output of raw silk so as to eventually make the country self-sufficient, the Central Silk Board has been allotting grants-in-aid to various States to bring in new acreage under mulberry cultivation. As we have already observed while the acreage under mulberry cultivation as compared with 1931-32 has increased by more than 100 per cent. in 1952 the actual output of silk has declined by about 16 per cent. We consider that if careful and intensive cultivation of mulberry is undertaken it should be possible without bringing additional areas under cultivation to produce from the existing areas sufficient quantity of silk to meet the entire requirements of the country. We, therefore, recommend that the Central Silk Board should appoint a committee of its own, composed of experts, to go into the question of (i) suitability of the existing as well as proposed areas for mulberry cultivation (including trees), (ii) improvement in the quality and yield of mulberry leaves, and (iii) im-

provement in the renditta. Any extension of the existing areas or introduction of sericulture in new areas should be undertaken only on the advice of this committee.

8. At the Tariff Board's inquiry held in 1951, the major portion of the indigenous filature silk was considered Quality. to be equal to the International 'D' grade. In their replies to the Commission's questionnaire, most of the producers have claimed improvement in the quality of filature silk produced by them since the last inquiry. The Government of Mysore have, however, recognised that the presence of a natural defect of 'hairiness' in the cocoons produced in Mysore lowers the quality of silk. They have presented that research over a long period would be required to lessen the 'hairiness' and improve neatness. The major bulk of production of filature silk in Jammu and Kashmir is stated to correspond to the International 'B' grade while a small quantity reeled from special cocoons is stated to correspond to 'AAA' grade. As against the claim of the producers of some improvement in the quality, the opinion expressed by the importers is that the quality of indigenous filature silk has not advanced beyond 'D' grade. One of the importers represented to us that a sample of Kashmir filature silk, which was claimed to be of 'B' grade, was forwarded by him to the Japanese Government's Conditioning House for test and that the test report revealed that although the sample answered 'E' and 'F' grade so far as neatness and evenness were concerned, judged from penalty and clearance classification, the percentage was only 50 and much below the lowest of 'G' grade reeled in Japan. This representation as well as the general question of the quality of raw silk produced in the country were discussed during the public inquiry. The representative of the Government of Jammu and Kashmir pointed out that the sample referred to might be a solitary instance from which it would not be proper to draw a general conclusion. He, however, confirmed that the bulk of the production in his State was of 'B' grade. Our discussions during the inquiry

have led us to the conclusion that no perceptible improvement has been made in the quality of filature silk since the last inquiry in 1951 and that there is still considerable scope for further improvement. The representatives of the industry have expressed the opinion that the quality of indigenous silk can be considerably improved provided the existing charkhas are replaced by improved types of filatures. We consider that in the existing conditions the replacement of charkhas by filatures would not be in the interest of the indigenous sericulture industry. The substitution of filatures for the existing charkhas will adversely affect the charkha reelers whose production of silk today constitutes about 85 to 90 per cent. of the total indigenous production and will, therefore, disturb the rural economy of the silk producing States. We think that the quality of charkha silk can be improved by the adoption of improved types of charkhas and that increasing attention might be devoted to this aspect of the industry. This should not, of course, imply that there is no scope for the introduction of filature units. For the expansion of the reeling section to step up the production of raw silk the installation of additional filature units may be necessary but this should be done without any detriment to the existing charkha reeling industry. We, therefore, recommend that the Central Silk Board should initiate a scheme at an early date for improving the quality of the indigenous charkha silk by the use of improved types of charkha basins. So far as filature silk is concerned, the quality should be improved as in Japan by the adoption of the latest improved types of reeling filature machinery.

We were informed by the Indian Standards Institution that they have drafted in collaboration with the Central Silk Board, standard methods for grading (a) standard (filature) raw silk and (b) utility (charkha) raw silk and that the draft is under circulation for eliciting opinions from all interests concerned. The Institution have not received any proposal to formulate standards in respect

of silk cocoons. In regard to silk yarn and silk fabrics, the Institution have considered it not desirable to take up for the present the work of standardisation of silk and artificial fibres (other than rayon). The Silk Board has informed us that it is taking up with the Indian Standards Institution the question of formulating standard specifications for silk waste. Formulation and implementation of standards are indispensable if the quality of the indigenous product is to be improved and the prejudice on the part of the consumers is to be eliminated. We, therefore, recommend that the Central Silk Board should take early action to ensure that the draft standards for raw silk are finalised and strictly adhered to by the producers of silk. As regards silk cocoons, silk yarn and silk fabrics, we recommend that the Silk Board should lay down the order of priorities and have standards formulated by the Indian Standards Institution accordingly.

9.(a) Imports:- A statement showing imports of raw silk, silk yarn and silk fabrics during the period from 1948-49 to 1952-53 (upto December, 1952) is given in Appendix IV. Imports of raw silk are separately recorded in the Accounts relating to the Sea-borne trade of India only from April, 1952. The Central Silk Board has, however, been collecting import statistics in regard to raw silk and the figures for the years 1949 to 1952 are given below:-

Country of origin	(Quantity in lbs.)			
	1949	1950	1951	1952
Hong Kong	149,056	324,619	177,960	-
Italy	156	52,252	45,340	-
Japan	100,358	133,143	941,191	276,243
China	6,711	202,298	69,456	-
Other countries	4,706	384	671	-
TOTAL	260,987	712,696	1214,618	276,243

Country of origin	1949	1950	1951	1952
(Value in Rupees)				
Hong Kong	17,65,645	55,79,763	30,29,397	-
Italy	13,056	10,25,667	12,35,910	-
Japan	10,18,463	23,25,132	202,69,175	65,50,142
China	84,307	32,59,831	14,29,132	-
Other countries	1,03,316	39,854	24,431	-
TOTAL	29,84,787	122,30,317	260,05,045	65,50,142

It may be seen that Japan was the second largest exporter of raw silk to India in 1949 and the third largest in 1950. In 1951, however, she emerged as the biggest exporter to India, with an export of 9.41 lakhs lbs. In 1952, Japan was the only source of imports of raw silk into India amounting to 2.76 lakh lbs.

(b) Import control:- The licensing policy in respect of imports of raw silk, silk yarn and silk fabrics since January, 1952 was as under:-

(i) January-June, 1952: During this licensing period soft currency licences for raw silk were to be issued to established importers to the extent of 20 per cent. of one half of their best year's imports and to actual users licences were to be issued generally for 6 months' requirements. The same policy was pursued in respect of yarn spun from silk waste. As for silk fabrics, established importers were to be granted soft currency licences either equal in value to January-June, 1951 licences or on a quota basis of 20 per cent. of one half of their best year's imports. The imports of other protected items of silk were banned.

(ii) July-December, 1952: Imports of all protected items of silk and silk fabrics were banned during this period.

(iii) January-June, 1953: In respect of raw silk and silk cocoons, established importers are eligible for soft currency licences valid for 6 months at a quota of 10 per cent. of one half of their best year's imports. Applications

from actual users are to be considered *ad hoc* in consultation with the Textile Commissioner. Licences to actual consumers will be issued provisionally and the licensees will be required to purchase within a period of 6 months from the date of issue of licences an equivalent quantity of raw silk indigenously produced. The provisional licences will be confirmed and will be extended by 3 months from the date of confirmation. In respect of yarn spun from silk waste, soft currency licences are to be issued to established importers on a quota basis of 25 per cent. of one half of their best year's imports. The imports of the remaining protected items of silk as well as silk fabrics have been banned.

10. The following statement gives the rates of import Existing rates of duties (including the surcharge leviable protective duties. under the Finance Act of 1951) as in force from 29th March, 1952.

Item No. of ICT Schedule	Name of article	Standard rate of protective duty
46	Silk, raw (excluding silk waste and noils), and silk cocoons.	30 per cent. <i>ad valorem</i> plus Rs. 3-14-0 per lb. plus 5 per cent. of the total duty.
45(i)	Silk, waste and noils	31½ per cent. <i>ad valorem</i> .
47	Silk yarn including thrown silk warps and yarn spun from silk waste or noils, but excluding sewing thread:-	
	(a) Silk yarn including thrown silk warps but excluding sewing thread,	30 per cent. <i>ad valorem</i> plus Rs. 3-14-0 per lb. plus 5 per cent. of the total duty.
	(b) yarn spun from silk waste excluding sewing thread,	30 per cent. <i>ad valorem</i> plus Rs. 5 per lb. plus 5 per cent. of the total duty.

Item No. of ICT Schedule	Name of article	Standard rate of protective duty
	(c) yarn spun from noils excluding sewing thread.	31½ per cent. <i>ad valorem</i> .
47(i)	Silk sewing thread	31½ per cent. <i>ad valorem</i> .
48	Fabrics, not otherwise specified, containing more than 90 per cent. of silk, including such fabrics em- broidered with artificial silk:-	
	(a) Pongee	75 per cent. <i>ad valorem</i> plus Rs. 5-8-0 per lb. plus 55 per cent. of the total duty.
	(b) Fuji, hoseki, and corded (excluding white cord)	75 per cent. <i>ad valorem</i> plus Rs. 5-8-0 per lb. plus 55 per cent. of the total duty.
	(c) Other sorts	75 per cent. <i>ad valorem</i> plus Rs. 4/- per lb. plus 55 per cent. of the total duty.

11. A statement showing the c.i.f. prices and landed costs of recent imports of raw silk and spun silk yarn into C.i.f. prices and India as furnished by the Collectors landed costs of imports. of Customs and importers is given in Appendix VII. The Tariff Board at its last inquiry had taken 20/22 denier as the most popular and representative type of raw silk used in this country. After discussion we have also decided to adopt 20/22 denier as the representative type of raw silk for the purpose of ascertaining c.i.f. price and landed cost. The producers had represented to us that the main competition for the indigenous filature silk is from Japan and, therefore, for the purpose of ascertaining the quantum of protection required by the

industry, c.i.f. price of Japanese silk of 20/22 denier should be adopted as the basis. The Indian Embassy (Trade Section) in Japan has intimated the Central Silk Board that the f.o.b. price of raw silk on 28th April, 1953 was \$ 4.91 per lb. of 20/22 denier 'A' grade, which works out to Rs. 23-6-1. Adding 3 per cent. for marine insurance and freight, the c.i.f. price at Indian ports comes to \$ 5.057 or Rs. 24-1-4. The corresponding landed cost works out to as follows:-

	Rs.As.Ps.
(a) F.O.B. price	23- 6- 1
(b) Insurance and freight	<u>0-11- 3</u>
(c) C.i.f. price	24- 1- 4
(d) Customs duty at 30% <i>ad valorem</i>	7- 3- 7
(e) Add specific duty	3-14- 0
(f) Add surcharge 1/20th of total duty	0- 8-11
(g) Clearing charges	<u>0- 4- 0</u>
(h) Total landed cost	<u>35-15-10</u>

12. (a) *Scope and method of costing:* As at the last inquiry, both Kollegal and Mysore areas were selected for

the purpose of ascertaining the cost of production of raw silk. The Commission's Estimate of cost of production and fair ex-works price. Cost Accounts Officer has investigated

the cost of production of mulberry leaf, cocoons and raw silk in both these areas and of thrown silk, plain silk fabrics and spun silk yarn in the Mysore State only.

(b) *Cost of cultivation of mulberry leaf:* In Mysore and Kollegal, only bush type of mulberry is cultivated. The cost of cultivation per lb. of mulberry leaf during 1952 in these areas was as follows:-

Type of irrigation	Area under cultivation	Cost of leaf per lb.
Rain-fed:	(Acres)	(Pies)
(i) Mysore ...	82,000	8.34
(ii) Kollegal ...	21,644	7.64
Irrigated:		
Mysore ...	18,000	9.93

The average cost of leaf in these two areas works out to 8.67 pies per lb. as against 9.15 pies estimated at the last inquiry.

(c) *Cost of production per lb. of cocoons:* At the last inquiry the Tariff Board adopted a price of Rs. 1-8-0 per lb. for cocoons. Our Cost Accounts Officer has worked out the production cost of cocoons at different places for 1952 and the average works out to Rs. 1-5-0 per lb. This cost includes only compensatory labour for the services rendered by the family personnel of the rearers and is exclusive of the remuneration to the rearers by way of return on their investment in land, equipments, etc. Making an allowance of 1 anna per lb. to cover remuneration to the rearers, etc., the price of Rs. 1-6-0 per lb. may be considered to be a reasonable economic price to the rearers. For our estimate of the fair ex-works price of raw silk, we have therefore adopted a price of Rs. 1-6-0 per lb. for cocoons.

(d) *Cost of reeling:* The Cost Accounts Officer has investigated the cost of reeling filature silk 20/22 denier at three factories, one in Kollegal and two in Mysore. The actual average reeling cost of the three units worked out to Rs. 5-10-9 per lb. as against Rs. 6-4-6 assumed at the last inquiry. In view of the measures that we have proposed for safeguarding the industry, the filatures may be expected to work very nearly to their capacities with improved productive efficiencies. We have, therefore, assumed the average cost of reeling at Rs. 3-12-4 per lb. The actual average renditta obtained in these filatures was 18.9 which is higher than the figure adopted at the last inquiry by 1.9. The increase in the renditta has been attributed by the representatives of the industry largely to the poor quality of the cocoons. Since the quality of the cocoons cannot be appreciably improved in the near future, we consider that, in estimating the prices of raw silk, the same renditta of 17 as adopted at the last inquiry, should be taken.

(e) *Fair ex-works price per lb. of filature raw silk produced in Mysore and Kollegal:* On the basis of the cost of cocoons at Rs. 1-6-0 per lb. and the reeling charges at Rs. 3-12-4 per lb., the cost of production per lb. of filature raw silk of 20/22 denier is as follows:-

	Rs.As.Ps.
Cost of 17 lbs. of cocoons at Rs. 1-6-0 per lb.	23- 6- 0
Brokerage and transport charges on above	0- 8- 7
Reeling charges	3-12- 4
Total	<u>27-10-11</u>

As at the previous inquiry, interest on working capital is allowed at 4½ per cent. on three months' cost of production and return on fixed capital at 10 per cent. on the gross block. The fair ex-works price of filature silk of 20/22 denier thus works out to Rs. 29-2-0 as detailed below:-

	Rs.As.Ps.
(i) Cost of production.	27-10-11
(ii) Interest on working capital.	0- 5- 0-
(iii) Return on block.	<u>1- 2- 1</u>
(iv) Fair ex-works price.	<u>29- 2- 0</u>

(f) *Additional allowance:* From the evidence tendered to us during the public inquiry we consider that the yield and quality of mulberry leaf are still poor and that the indigenous silk has to be sold very much cheaper than the imported silk. Moreover, the price of silk has shown considerable variations in the market thereby creating uncertainty among those engaged in the silk trade as well as the sericulture industry. In view of these factors, we consider it reasonable to provide an allowance of Rs. 2 per lb. for contingencies in the fair ex-works price of indigenous raw silk for the purpose of assessing the quantum of protection required by the industry. The fair ex-works price, inclusive of allowance for contingencies, therefore, works out to Rs. 31-2-0 per lb., or say, Rs. 31 per lb.

13. (a) (i) *Filature raw silk*: During the public inquiry, the consensus of opinion was that since a large part of the indigenous filature silk corresponds to the International 'D' grade, the fair ex-works price of indigenous product. quantum of protection required by the industry should be based on the c.i.f. price for that grade. The c.i.f. price of imported 'D' grade was not available to the Commission. At the last inquiry it was agreed that the price differential for each grade inferior to International 'A' grade was 2 cents. On this basis, the f.o.b. price of International 'D' grade will be 2 cents lower than that of 'C' grade, i. e. \$ 4.65 (\$ 4.87 - \$ 0.02) per lb. Adding 3 per cent. to cover freight and insurance, the c.i.f. price of 'D' grade is estimated at Rs. 23-12-8 per lb. The following table gives the comparison between the fair ex-works price of indigenous raw silk and the estimated landed cost of imported Japanese silk 20/22 denier 'D' grade.

	Rs.As.Ps.
(i) C.i.f. 'D' grade.	23-12- 8
(ii) Add: (a) Customs duty at 30% on (i)	7- 2- 2
(b) Specific duty at Rs. 3-14-0 per lb.	3-14- 0
(c) Surcharge at 1/20 of (a) plus (b).	0- 8-10
(iii) Add: clearing charges.	<u>0- 4- 0</u>
(iv) Landed cost with duty.	35- 9- 8
(v) Landed cost without duty.	24- 0- 8
(vi) Fair ex-works price inclusive of allowance for contingencies.	31- 0- 0
(vii) Difference between (vi) and (v).	6-15- 4
(viii) Difference (vii) as a percentage on c.i.f. price (i),	29.2 per cent.

(ii) *Measure of protection - I.C.T. Item 46 - Silk raw (excluding silk waste and noils) and silk cocoons*: From the foregoing comparison, the duty required to bridge the gap between the fair ex-works price inclusive of allowance for contingencies, namely, Rs. 31 per lb. of Indian filature raw silk and the landed cost ex-duty comes to Rs. 6-15-4 per

lb. This difference works out to 29.2% on the c.i.f. price of Rs. 23-12-8.

We, therefore, recommend a duty of 30% *ad valorem* exclusive of surcharge.

(b) *Item 46 (1) - Silk waste and noils:* As there have been no imports of silk waste recently, we could not institute a comparison between landed cost of imported product and the fair ex-works price of indigenous product. The existing duty is only 31½ per cent. *ad valorem* (including surcharge), and we recommend that this duty may be continued.

(c) *Item 47 (a) - Silk yarn including thrown silk warps but excluding sewing thread:* The cost of production of the two types of thrown silk, viz. Organzine and Tram, was examined by the Cost Accounts Officer at three factories in Mysore. The average throwing cost at the three factories works out to Rs. 2-8-4 per lb. for Organzine and Rs. 1-3-10 per lb. for Tram. The average wastage ascertained in these factories works out to 3 per cent. for filature silk as against 4 per cent. allowed at the last inquiry. As in the last inquiry, a return of 6 pies per rupee has been provided. On this basis, the fair ex-works price per lb. of thrown silk will work out as follows:-

	Organzine Rs.As.Ps.	Tram Rs.As.Ps.
(i) Fair ex-works price per lb. of filature raw silk.	29- 2- 0	29- 2- 0
(ii) Wastage at 3%.	0-14- 0	0-14- 0
(iii) Manufacturing cost.	2- 8- 4	1- 3-10
Total	32- 8- 4	31- 3-10
(iv) Return at 6 pies in the rupee.	1- 0- 3	0-15- 7
(v) Fair ex-works price.	<u>33- 8- 7</u>	<u>32- 3- 5</u>

Since there have been no imports of silk yarn during the year 1952-53, a comparison between landed cost and fair ex-works price of indigenous product could not be made. However, as the compensatory duty required for this item

lb. This difference works out to 29.2% on the c.i.f. price of Rs. 23-12-8.

We, therefore, recommend a duty of 30% *ad valorem* exclusive of surcharge.

(b) Item 46 (1) - *Silk waste and noils*: As there have been no imports of silk waste recently, we could not institute a comparison between landed cost of imported product and the fair ex-works price of indigenous product. The existing duty is only 31½ per cent. *ad valorem* (including surcharge), and we recommend that this duty may be continued.

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	Organzine Rs.As.Ps.	Tram Rs.As.Ps.
(i) Fair ex-works price per lb. of filature raw silk.	29- 2- 0	29- 2- 0
(ii) Wastage at 3%.	0-14- 0	0-14- 0
(iii) Manufacturing cost.	2- 8- 4	1- 3-10
Total	32- 8- 4	31- 3-10
(iv) Return at 6 pies in the rupee.	1- 0- 3	0-15- 7
(v) Fair ex-works price.	33- 8- 7	32- 3- 5

Since there have been no imports of silk yarn during the year 1952-53, a comparison between landed cost and fair ex-works price of indigenous product could not be made. However, as the compensatory duty required for this item

	Rs. As. Ps.
(ix) Landed cost without duty.	20- 3- 6
(x) Fair ex-works price calculated above.	23- 2- 7
(xi) Landed cost ex-duty.	20- 3- 6
(xii) Difference between fair ex-works price and landed cost ex-duty.	2-15- 1
(xiii) Difference (xii) as a percentage on c.i.f. price (v).	14.7%

A comparison of the landed cost ex-duty with the fair ex-works price indicates a duty of 14.7% on the c.i.f. price. However, since the industry has yet to improve its quality and effect certain other improvements we recommend a duty of 30% *ad valorem*, exclusive of surcharge.

(e) Item 47 (c) - Yarn spun from silk noils excluding sewing thread: There were no imports under this item during 1952-53 and, therefore, no comparison of landed cost and fair ex-works price of indigenous product could be made. As in the case of silk waste, however, we recommend that the existing duty should be continued.

(f) Item 47 (I) - Silk sewing thread: The above remarks in respect of item 47(c) apply to this item also. The imports of this item were negligible during the year 1952-53.

(g) (1) Item 48 - Fabrics not otherwise specified containing more than 90 per cent. of silk including such fabrics embroidered with artificial silk: The c.i.f. prices of exactly comparable varieties are not available. However, as the protection required for fabrics is only of a compensatory nature, the c.i.f. prices of different fabrics have been estimated from that of raw silk taking into account the quantity of raw silk entering into the manufacture of each type of fabrics. It is understood that item 48(a), namely, Pongee and item 48(c), namely, other fabrics like georgette, crepe, etc., are mostly manufactured from 'A' grade filature silk.

(ii) 48(a) - Pongee: The duty recommended by us for raw silk is 30 per cent. *ad valorem*. A reference to paragraph 11

above will show that the c.i.f. price of 'A' grade silk of Japanese origin is Rs. 24-1-4. The total duty leviable on this item at the rates proposed by us will work out to Rs. 7-3-7. Since 1-1/3 lbs. of raw silk is required to produce 1 lb. of this cloth, the corresponding compensatory duty will be Rs. 9-10-1 ($1\frac{1}{3} \times \text{Rs. } 7-3-7$). The value of silk in this fabric is stated to be about 70 per cent. of the total cost of fabric. On this basis, the c.i.f. price per lb. of the fabric and the duty required will be as follows:-

	Rs.As.Ps.
(i) C.i.f. price of 'A' grade silk.	24- 1- 4
(ii) C.i.f. price of silk content in one lb. of fabric at 1-1/3 lbs. of raw silk.	32- 1- 9
(iii) C.i.f. price of Pongee estimated on the basis that the value of silk in Pongee is 70% (Rs. 32-1-9 $\times 10/7$).	45-14- 0
(iv) Compensatory duty of Rs. 9-10-1 as a percentage of c.i.f. price of Pongee.	21%

From the foregoing, it can be seen that the compensatory duty indicated for this variety of fabrics is 21%.

(iii) Item 48(b) - Fuji, borseki and corded (excluding white cord): This type of cloth is made from spun silk yarn. The value of the silk in this fabric is stated to be 70 per cent. of the total cost of the fabric. The quantity of spun silk yarn required for 1 lb. of this fabric is 1-1/10 lbs. The duty recommended per lb. of spun silk yarn is 30 per cent. ad valorem, or Rs. 5-15-10 per lb. The compensatory duty required for this type of fabric will be ($11/10 \times \text{Rs. } 5-15-10$) Rs. 6-9-5. The c.i.f. price of the fabrics, and the compensatory duty required are calculated as under:-

	Rs.As.Ps.
(i) Estimated c.i.f. price of spun silk yarn.	19-15- 6
(ii) C.i.f. price of spun silk yarn contained in 1 lb. of fabric ($11/10 \times \text{Rs. } 19-15-6$).	21-15- 5
(iii) C.i.f. price of fabric on the basis that the fabric contains 70 per cent. silk ($10/7 \times \text{Rs. } 21-15-5$).	31- 6- 0

	Rs.	as.	ps.
(iv) Compensatory duty of Rs. 6-9-5 as a percentage of estimated c.i.f. price of Rs. 31-6-0.			21%

From the foregoing, it will be seen that the compensatory duty indicated for this item is 21%.

(iv) Item 48(c) - Other sorts: These comprise of finer varieties such as georgettes, crepe, etc. The value of raw silk content in these fabrics is estimated to be 70 per cent. of the total cost. The quantity of raw silk required to manufacture 1 lb. of fabric is 1-1/3 lbs. on the same lines as those adopted for item 48(a), viz., Pongee. The compensatory duty on this class of fabric works out to Rs. 9-10-1 per lb. Based on the c.i.f. price for the corresponding imported type estimated at Rs. 45-14-0, the duty indicated is 21%.

It will be seen that the compensatory protective duty required for all protected items of fabrics is only 21 per cent. *ad valorem*. In paragraph 9(g) of its Report (1951), the Tariff Board recommended that, consequent upon their proposal for a reduction in the protective duty on raw silk, the compensatory duties on silk fabrics should be suitably reduced. However, Government held the view that silk fabrics are an article of luxury and presumably on revenue considerations also, did not accept the Board's recommendation and continued the then existing high rates of protective duties. We would like to point out that if our proposal for the reduction of the protective duty on raw silk to 30 per cent. *ad valorem* is accepted by Government, a compensatory duty of 30 per cent. *ad valorem*, exclusive of surcharge, would be more than adequate for the protected varieties of silk fabrics, i.e., I.C.T. items Nos. 48(a), (b) and (c).

14. We consider that the indigenous industry will take some more time to consolidate and improve itself. Efforts have to be directed as part of a long term programme towards increasing the output of leaves per acre and improving the quality of cocoons and of raw

silk, etc. To enable the industry to formulate and implement schemes of improvement, it is essential that the industry should be assured of protection for a reasonably long period. We, therefore, recommend that the protective duties recommended by us above should be levied for a period of 5 years with effect from the date on which they are brought into force. We further recommend that the progress of the industry should be reviewed periodically once a year. During the public inquiry we were informed that the future of the Sericulture industry was threatened by the emergence of artificial silk and rayon and a fear was expressed that unless the quality of indigenous silk was improved and its price reduced, the demand for indigenous silk was bound to decline. We think that the fear is not unjustified and would like to stress the need for the industry to take all possible steps to improve the quality of indigenous silk and to reduce its price.

The c.i.f. prices of imported silk have, in the recent past, been subject to wide fluctuations and, therefore, a continuous watch has to be maintained on import prices. We suggest that to enable the Commission to take timely action to suitably modify the scheme of protection if and when the c.i.f. prices fall appreciably below or rise above the figures adopted by us, the Central Silk Board should collect monthly statistics of c.i.f. prices as well as the export quotations relating to raw silk in Japan and furnish the information regularly to the Commission.

15. If our recommendations to reduce the protective
 Proposed modification of the Customs Tariff Schedule. duty on raw silk to 30 per cent. *ad valorem* are accepted, the relevant items in the First Schedule to the Indian Tariff Act, 1934, should be amended as indicated in the table below:-

Existing Tariff items Nos.	Name of article	Existing rate of duty	Proposed rate of duty
46	Silk, raw (excluding silk waste and noils) and silk cocoons.	30 per cent. <i>ad valorem</i> plus Rs. 3-14-0 per lb. plus 5 per cent. of the total duty.	30 per cent. <i>ad valorem</i> *
46(I)	Silk, waste and noils.	31½ per cent. <i>ad valorem</i> .	31½ per cent. <i>ad valorem</i> *
47	Silk yarn including thrown silk warps & yarn spun from silk waste or noils but excluding sewing thread:-		
	(a) Silk yarn including thrown silk warps but excluding sewing thread.	30 per cent. <i>ad valorem</i> plus Rs. 3-14-0 per lb. plus 5 per cent. of the total duty.	30 per cent. <i>ad valorem</i> †
	(b) yarn spun from silk waste excluding sewing thread.	30 per cent. <i>ad valorem</i> plus Rs. 5-0-0 per lb. plus 5 per cent. of the total duty.	30 per cent. <i>ad valorem</i> *
	(c) yarn spun from noils excluding sewing thread.	30 per cent. <i>ad valorem</i> plus 5 per cent. of the total duty.	30 per cent. <i>ad valorem</i> *
47(I)	Silk sewing thread.	31½ per cent. <i>ad valorem</i> .	31½ per cent. <i>ad valorem</i> **
48	Fabrics, not otherwise specified, containing more than 90 per cent. of silk including silk fabrics embroidered with artificial silk:-		
	(a) Pongee,	75 per cent. <i>ad valorem</i> plus Rs. 5-8-0 per lb. plus 55 per cent. of the total duty.	See paragraph 13(g).

(* Exclusive of surcharge)

- ** Inclusive of surcharge) -

Existing Tariff items Nos.	Name of article	Existing rate of duty	Proposed rate of duty
	(b) Ruji, boseki and corded (excluding white cord).	75 per cent. <i>ad valorem</i> plus Rs. 5-8-0 per lb. plus 55 per cent. of the total duty.	See paragraph 13(g)
	(c) Other sorts.	75 per cent. <i>ad valorem</i> plus Rs. 4-0-0 per lb. plus 55 per cent. of the total duty.	

16. (a) The representatives of the industry present at the inquiry contended that protection by means of protective duties alone will not adequately safeguard the interests of the industry and that a quantitative regulation of imports was necessary. We have examined this issue very carefully and are of the opinion that there is much force in the contention of the industry. The volume of imports as well as their prices influence the market prices of indigenous raw silk and have, therefore, a vital bearing on the measure of protection to the industry. The movements of import prices depend upon the world market situation and the commercial policy of the foreign Government concerned. During the last two or three years, the c.i.f. prices of imported silk in India have shown wide fluctuations, as will be seen from Appendix VIII. If, therefore, the interests of the industry are to be safeguarded, stable conditions should be created in the markets, as far as possible, by restricting the quantum of imports in such a manner that neither the industry nor the consumer is unduly and adversely affected. We, therefore, recommend that quantitative basis should be adopted for licences and that subject to the total quantitative ceiling as indicated by us imports of foreign silk should be rigidly regulated so as to allow only as much

imports as would be required to fill the gap between the country's requirements and the indigenous production. We also recommend that the issue of licences should be so administered as to ensure an even flow of imports into the country. From the evidence tendered to us, it appeared that there was some prejudice on the part of consumers against the indigenous raw silk which could not be marketed except at a price lower than that of imported silk. We, therefore, recommend that with a view to ensuring marketing facilities for indigenous raw silk of suitable quality, the import quota of each importer of raw silk should be linked up with the purchase of an equivalent quantity of indigenous raw silk by him as has been laid down in circular No. 1413, dated 28th February, 1953, issued by the Joint Chief Controller of Imports and Exports, Bombay (Appendix IX). To facilitate regulation of imports on the above lines we further recommend that the Central Silk Board should collect each month from the various States figures of production of raw silk and forward such information to the Ministry of Commerce and Industry and the Import Control Authorities.

(b) The prices actually realised by the cocoon rearers in 1952 and 1953 have been much lower than those assumed by the Board in 1951 for the purpose of estimating fair ex-works price of raw silk. The following statement gives the average monthly price per lb. of cocoons in Mysore and Madras during 1952 and the first quarter of 1953.

MONTH	MYSORE			MADRAS		
	Rs.	as.	ps.	Rs.	as.	ps.
<u>1952 :</u>						
January	1	1	1	0	15	0
February	1	7	6	1	2	3
March	1	2	4	0	14	0
April	0	12	9	0	15	0
May	1	2	0	1	2	0

1952 :	Rs.	As.	Ps.	Rs.	As.	Ps.
June	1	2	11	1	4	0
July	1	3	9	1	6	0
August	1	1	11	1	4	0
September	1	2	10	1	2	0
October	2	0	8	1	0	0
November	1	4	8	1	5	0
December	1	2	11	1	2	0
Average in 1952	1	3	9	1	1	11
1953:						
January	1	3	4	1	4	0
February	1	5	7	1	5	0
March	1	5	0	-----		
Average in 1953	1	4	8	1	4	6

It will be seen that fluctuations in the price of cocoons have been frequent and fairly large. So long as such fluctuations occur, the cocoons rearers cannot be expected to take adequate interest in mulberry cultivation as well as in cocoon rearing. If, therefore, the cocoon rearers are to continue in and expand their industry, it is necessary that the price of cocoon should be stabilised and the rearers should be assured of a minimum economic price for their cocoons. This objective can be achieved only by the introduction of notified cocoon markets and by requiring all the rearers to sell their cocoons only in the cocoon market at prices which should be properly regulated. We, therefore, recommend that the various State Governments should enact at an early date the necessary legislation for the establishment of cocoon markets and for regulating the prices of cocoons. We further recommend that, making a small allowance for minor market fluctuations, the ceiling and floor prices of cocoons should be fixed at Rs. 1-6-0 and Rs. 1-4-0 per lb., respectively. In this connection it may be stated that comprehensive legislation has already been passed by Mysore State in this and other matters.

(c) The problem of the spun silk industry was discussed in detail at the public inquiry. The representative of the industry pleaded that a reasonable economic price should be fixed for silk waste all over India and that a cess might be imposed on the exports of silk waste to the extent of the difference between the reasonable price fixed for silk waste and the price in the export markets. The representative also suggested that the existing restriction on the exports of silk waste should be continued. We have examined this matter carefully and are of the opinion that there is much force in the plea advanced by the industry. We consider the spun silk industry as an adjunct to the raw silk industry having a vital bearing on the production costs of raw silk. We, therefore, recommend that the Central Silk Board should examine the question of fixation of a reasonable price for silk waste throughout India in consultation with the various State Governments concerned. We are of the opinion that the existing export control policy, which restricts the export of silk waste to the surplus available after meeting the requirements of the spun silk industry, is in the interest of the spun silk industry and therefore recommend its continuance.

(d) We understand that the Central Silk Board has been considering the proposal of setting up regional research stations at Bangalore, Kollegal, Srinagar, etc. We consider this to be a move in the right direction. The sericulture industry in foreign countries owes its development to a large extent to intensive and continuous research in the various sections of the industry, undertaken by them with the active co-operation and financial assistance of their Governments. So far as India is concerned, research on the various problems of the industry is still in its infancy. Rapid strides in this field cannot be made without adequate financial assistance. We consider research to be of vital importance for the development of the industry and would particularly stress the need for it in respect of mulberry cultivation and breed of silk worms. We, therefore, recommend that the Silk Board should go ahead with its proposed scheme of setting up regional research stations with emphasis on the

above two aspects and implement it as early as possible. For co-ordinating the research activities of these regional stations a Central Research Station should also be established at a convenient place. So far as the existing research institutes are concerned, they should expand the scope of their activities. This cannot be done without necessary financial assistance. We, therefore, recommend that the Government of India should increase their grants to the Silk Board so as to enable the Board to extend increased financial assistance to the Central Sericulture Research Station, Berhampore and to the Research Institute in Mysore. We further recommend that the Governments of the various silk producing States should encourage research activities in their States by increased financial assistance.

17. Our conclusions and recommendations may be summarised as under:-

Summary of conclusions and recommen- dations.	(i) The annual demand for raw silk, silk fabrics and spun silk yarn is estimated at 3.5 million lbs., 1.5 million lbs. and 1.5 lakh lbs., respectively. [Paragraph 6]
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(ii) The output of the industry of both mulberry and non-mulberry raw silk under normal conditions would be about 2.8 million lbs. per year. [Paragraph 7]

(iii) If careful and intensive cultivation of mulberry is undertaken it should be possible without bringing additional areas under cultivation to produce from the existing areas sufficient quantity of silk to meet the entire requirements of the country. [Paragraph 7]

(iv) The Central Silk Board should appoint a committee of its own, composed of experts, to go into the question of (i) suitability of the existing as well as proposed areas for mulberry cultivation (including trees), (ii) improvement in the quality and yield of mulberry leaves and (iii) improvement in the renditta. Any extension of the existing areas or introduction of sericulture in new areas should be undertaken only on the advice of this committee. [Paragraph 7]

(v) No perceptible improvement has been made in the quality of filature raw silk since the last inquiry in 1951

and there is still considerable scope for further improvement. [Paragraph 8]

(vi) The replacement of charkhas by filatures would not be in the interest of the indigenous sericulture industry for the reason explained in paragraph 8. [Paragraph 8]

(vii) The Central Silk Board should initiate a scheme at an early date for improving the quality of the indigenous charkha silk by the use of improved types of charkha basins. So far as filature is concerned, the quality should be improved as in Japan by the adoption of latest improved types of reeling filature machinery. [Paragraph 8]

(viii) The Central Silk Board should take early action to ensure that the draft standards for raw silk are finalised and strictly adhered to by the producers of silk. As regards silk cocoons, silk yarn and silk fabrics, the Silk Board should lay down the order of priorities and have standards formulated by the Indian Standards Institution accordingly. [Paragraph 8]

(ix) The present c.i.f. price per lb. of Japanese raw silk, 20/22 denier 'A' grade, is estimated at Rs. 24-1-4. [Paragraph 11]

(x) The price of Rs. 1-6-0 per lb. of cocoons may be considered to be a reasonable economic price for the rearers. [Paragraph 12(c)]

(xi) The fair ex-works price of indigenous raw silk works out to Rs. 31-2-0 per lb., or say, Rs. 31-0-0 per lb. [Paragraph 12(f)]

(xii) A duty of 30 per cent *ad valorem*, exclusive of surcharge, should be levied on raw silk, Indian Customs Tariff Item No. 46. [Paragraph 13(a) (ii)]

(xiii) The existing duty of 31½ per cent *ad valorem* (including surcharge) on silk waste and noils, tariff item No. 46 (1), should be continued. [Paragraph 13(b)]

(xiv) The duty on silk yarn including thrown silk warps, tariff item No. 47(a), should be the same as on raw silk viz., 30 per cent *ad valorem*, exclusive of surcharge.

[Paragraph 13(c)]

(xv) A duty of 30 per cent *ad valorem*, exclusive of surcharge, should be levied on yarn spun from silk waste, tariff item No. 47(b). [Paragraph 13(d)]

(xvi) The existing rate of duties on yarn spun from silk noils and silk sewing thread, tariff item Nos. 47(c) and 47(1), should be continued. [Paragraph 13(e) & (f)]

(xvii) If the proposal for the reduction of the protective duty on raw silk to 30 per cent *ad valorem* is accepted by Government, a compensatory duty of 30 per cent *ad valorem*, exclusive of surcharge, would be more than adequate for the protected varieties of silk fabrics, i.e., tariff items Nos. 48(a), 48(b) and 48(c). [Paragraph 13(g)]

(xviii) To enable the industry to formulate and implement schemes of improvement, it is essential that the industry should be assured of protection for a reasonably long period. The protective duties recommended above should, therefore, be levied for a period of five years with effect from the date on which they are brought into force. [Paragraph 14]

(xix) The progress of the industry should be reviewed periodically once a year. [Paragraph 14]

(xx) The fear that, unless the quality of the indigenous silk is improved and its price reduced, the demand for the indigenous silk is bound to decline due to the emergence of artificial silk and rayon is not unjustified. The need for the raw silk industry to take all possible steps to improve the quality of the indigenous silk and to reduce its price is, therefore, stressed. [Paragraph 14]

(xxi) To enable the Commission to take timely action to suitably modify the scheme of protection if and when the c.i.f. prices fall appreciably below or rise above the figures adopted in this report, the Central Silk Board should collect monthly statistics of c.i.f. prices as well as the export quotation relating to raw silk in Japan and furnish the information regularly to the Commission. [Paragraph 14]

(xxii) Import control in respect of raw silk should be administered on the lines indicated in paragraph 16(a).

[paragraph 16(a)]

(xxiii) State Governments should enact at an early date the necessary legislation for the establishment of cocoon markets and for regulating the prices of cocoons. The ceiling and floor prices of cocoons should be fixed at Rs. 1-6-0 and Rs. 1-4-0 per lb., respectively.

[Paragraph 16(b)]

(xxiv) To enable the spun silk industry to obtain its raw material at economic price, the Central Silk Board should examine the question of fixation of a reasonable price for silk waste throughout India in consultation with the various State Governments concerned.

[Paragraph 16(c)]

(xxv) The existing export control policy, which restricts export of silk waste to the surplus available after meeting the requirements of the spun silk industry, is in the interest of the spun silk industry and should, therefore, be continued.

[Paragraph 16(c)]

(xxvi) Research, particularly in respect of mulberry cultivation and breed of silk worms, is of vital importance to the development of the Sericulture industry. The Central Silk Board should, therefore, go ahead with its proposed scheme of setting up regional research stations with emphasis on the above two aspects and implement it as early as possible. For co-ordinating research activities of these regional stations a Central Research Station should also be established at a convenient place.

[Paragraph 16(d)]

(xxvii) The Government of India should increase their grants to the Central Silk Board so as to enable the Board to extend increased financial assistance to the Central Sericulture Research Station, Berhampur and to the Research Institute in Mysore.

[Paragraph 16(d)]

(xxviii) The Governments of the various silk producing States should encourage research activities in their States by increased financial assistance.

[Paragraph 16(d)]

18. We desire to acknowledge the valuable assistance we have received from the producers, importers and associations and Chambers of Commerce and

Acknowledgements.

State Governments who furnished us with detailed information and whose representatives gave evidence before us. Our thanks are also due to the officers of State Governments who attended the public inquiry and to the Assistant Secretary, Central Silk Board, for the assistance rendered by them during the inquiry.

M.D. Bhat,

Chairman.

B.V. Narayanaswamy,

Member.

B.N. Das Gupta,

Member.

D.K. Malhotra,

Secretary.

Bombay,

4-7-1953.



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APPENDIX I
[Vide Paragraph 3(a)]

List of persons/ firms/ associations/ Government Departments to whom questionnaires were issued and those who replied or sent memoranda.

* Indicates those who replied or sent memoranda.

** indicates those who replied that they had no information to furnish or that they were not interested in the inquiry.

(A) PRODUCERS:

- *1. The Government Silk Filatures,
Kankanhalli (Mysore).
- *2. The Mysore Silk Filatures Ltd.,
T. Narasipur (Mysore).
- *3. The Mysore Spun Silk Mills Ltd.,
Chennapatna (Mysore State).
4. • The Government Silk Weaving Factory,
Mysore. (Covered in the Memorandum
submitted by the Govt. of Mysore).
- *5. The Government Silk Filatures,
Kollegal (Madras State).
6. Sri Rama Silk Mills,
Bangalore.
7. Khoday Eshwarsa & Sons,
Bangalore.
8. Gopalakrishna Silk Twisting Factory,
Kollegal (Madras State).
- *9. M/s. M.V. Rangaswamy,
Kollegal (Madras State).
- **10. Bombay Silk Filatures Ltd.
Modgi (Via Belgaum).
- *11. Kisan Silk Industries Ltd.,
Melur (Mysore State).
- *12. K.S. Kenchappa,
CharkhaReeler, Kajji Hundi (Kollegal-Madras).
13. M.K. Mallaraj,
Kunthur (Kollegal-Madras).
14. Sarvamanya Silk Filatures Ltd.,
Mysore.

PRODUCERS (Contd.)

- *15. Siddappa, Charkha Reeler,
Kunthur (Kollegal-Madras).
- 16. S.V. Subramania Iyer,
Sericulturist, Tagarapuram, Kunthur
(Kollegal-Madras).
- **17. Venkatesa Silk Mills,
Peelamedu (Coimbatore).
- *18. R. Ranga Rao & Bros.,
Aided Crainerurs & Silk Merchants,
Chikbellapur (Mysore State).
- *19. M.N. Nanjundiah,
Land-Lord & Silk Cocoon Producer,
Mugur (T. Narasipur-Mysore).
- 20. M/s. Guru Nanak Resham Factory,
Sheikpura (Pepsu).
- *21. M. Sadanandam,
Mispa Domestic Filatures, Kamagerai
(Kollegal-Madras).
- 22. Hazi Ammin Munshi's Filature,
Kaliachak, Malda (W.B.).
- *23. Haji Maniruddin Sheikh,
Jangipore, Murshidabad (W.B.).
- 24. Peddi Silk Reeling Association,
Malda (W.B.).

(B) IMPORTERS:

- *1. The Silk Merchants' Association,
Kalbadevi Road, Dahanuker Building,
Bombay 2.
- **2. The Yarn Merchants' Association Ltd.,
III, Chawala Building, Tambakanta, Bombay 3.
- *3. M/s. Nagindas Foolchand Chinai,
79, Musjid Bunder Road, Bombay 3.
- *4. M/s. Gandhi Parek Investment Corporation,
Alice Building, Hornby Road, Bombay 1.
- *5. The Raw Silk Merchants' Association,
Chinai Building, 79, Musjid Bunder Road,
Bombay 3.
- 6. The Mysore Silk Cloth Merchants' Association (Wholesale),
Avenue Road, Bangalore City.
- *7. Gurukur M. Madappa,
Silk Merchant, Mudigundam (Kollegal-Madras).
- *8. G.S. Veerappa,
Silk Merchant, Mudigundam (Kollegal-Madras).

IMPORTERS (Contd.)

- *9. Mahaliram Bajaj & Co.,
174, Harrison Road, Calcutta.
- *10. M.G. Subhappa,
Silk Merchants, Mudigundam (Kollegal-Madras).
- 11. Yarn Exchange Ltd.,
Tambakanta, Bombay 3.
- 12. M/s. Karanjia Bros. Ltd.,
Opp. Kalbadevi P.O., Bombay 2.
- 13. M/s. Kishinchand Chellaram (India) Ltd.,
Opp. Kalbadevi P.O., Bombay 2.
- *14. Mr. Bhimanlal Amarnath,
Tambakanta, Bombay 3.
- *15. M/s. P. Parbhalal & Co. Ltd.,
Whiteaway Laid-law Building, Fort, Bombay.
- 16. Meghraj Kagalal,
113, Manohordas Kutra, Calcutta.
- 17. Chunilal Maganmull,
22, Raja Woodmunt Street, Calcutta.
- *18. Babna More & Co.,
5, Clive Row, Calcutta.
- *19. C. Bulakhidas & Co.,
89, Tambakanta, Bombay 3.

(C) CONSUMERS:

- 1. M. Madan & Co.,
Srinagar.
- 2. Bharat Silk Bhandar,
Main Bazar, Bezwada.
- 3. C.K. Cheluviah,
Silk Cloth Merchant, Kollegal (Madras State).
- 4. Gudehawdiah,
Silk Cloth Merchant, Kollegal (Madras State).
- *5. R.T. Kambale,
Silk Merchant, Bagalkot (Bijapur Dt.).
- 6. Murugappa Mudaliar,
Silk Cloth Manufacturers, Kancheepuram (S.Rly.).
- 7. Srinivas & Co.,
Silk Merchants, 131, Tiru Kachinamli Street,
Kancheepuram (S.Rly.).
- 8. G.M. Madappa,
Silk Merchants, Mudigundam (Kollegal-Madras).
- 9. M.S. Muddiah & Sons,
Silk Throwsters and Merchants, Saurastrapet,
Bangalore City.

CONSUMERS (Contd.)

10. M/s. Parbudas Gangadas,
Rampura, Surat.
11. M/s. M.V. Rao & Co.,
Silk Weaving Factory, Peddapuram.
12. M/s. D. Arsappa & Co.,
Srinivasa Weaving Factory, Bangalore.
13. M/s. Icharam Ramchand,
Navapura, Golwadi, Surat.
14. M/s. Chhotalal Jesishandas,
Navapura, Parsee Sheri, Surat.
15. M/s. Kunjalal & Co.,
Lakhi Chotra, Banaras.
16. Pravati Textiles,
Panihati (24 Parganas, W.B.).
17. The Chholi Silk Mill Company Ltd.,
Bombay Mutual Building, Bombay 1.

(D) ASSOCIATIONS:

- *1. The Silk and Art Silk Mills' Association,
Podar Chambers, Parsee Bazar Street, Bombay 1.
2. The Bengal Silk & Art Silk Mills Owners' Association,
4, Ganesh Chandra Avenue, Calcutta.
3. The Silk Mills' Association,
Amritsar.
- *4. The Mysore Silk Handloom Weavers' Association,
13, Jumma Masjid Road, Bangalore City.
- *5. The Bihar Chamber of Commerce,
Patna.
6. The Bhagalpur Silk Mills Owners' Association,
Bhagalpur (Bihar).
7. The Hindpur Silk Reelers' Association,
Hindpur (Madras).
8. The Mysore Chamber of Commerce,
Bangalore.
9. The Mysore Silk Association,
P. Subbarama Chetty Road, Basavangudi, Bangalore 4.
10. The Mysore Raw Silk Merchants' Association,
Lakshmana Rao Road, Balepet, Bangalore City.
11. The Mysore Silk Throwing Factories Association,
S.S.K. Sangha Building, K.V. Temple Street,
Bangalore.

ASSOCIATIONS (Contd.)

12. The Secretary,
Weavers Co-operative Producers Society, Ltd.,
ILKAL.
- *13. The Surat Chamber of Commerce,
Safe Deposit Chambers, Surat.
- *14. Murshidabad Silk Association,
Barhampore.
15. Jangipore Silk Association,
Jangipore, Murshidabad.
16. Silk Weavers' Organisation,
Boswa Vishnupore, Boswa (W.B.).
17. Jalalpur Silk Reelers' Organisation,
Sujapur, Malda (W.B.).
18. Fatehami Silkworm Reelers' Organisation,
Sujapur, Malda (W.B.).

(E) STATE GOVERNMENTS:

- *1. The Director of Industries,
Assam, Shillong.
- *2. The Director of Industries,
Bihar, Patna.
- *3. The Director of Industries,
Madhya Pradesh, Nagpur.
- *4. The Director of Industries,
Orissa, Cuttack.
- *5. The Director of Cottage Industries,
Uttar Pradesh, Kanpur.
- *6. The Chief Secretary To Government,
Vindhya Pradesh, Rewa.
- *7. The Secretary to Government,
Industries & Commerce Department,
Madhya Bharat, .
Gwalior.
- *8. The Secretary to Government,
Development Department, Mysore State,
Bangalore.
- *9. The Chief Secretary to Government,
Hyderabad, Secundrabad.
- *10. The Secretary (Industries & Supplies)
to Government, Himachal Pradesh, Simla.

STATE GOVERNMENTS (Contd.)

- *11. The Director of Industries,
West Bengal, Calcutta.
- *12. The Jt. Registrar for Industrial,
Co-operatives and Village Industries,
20, Bombay Road, Poona 3.
- *13. The Director of Industries and Commerce,
Government of Madras, Madras 6.
- *14. The Director of Industries,
Punjab, Simla.
- **15. The Chief Secretary to Govt.,
Saurashtra, Rajkot.
- **16. The Chief Secretary to Govt.,
Rajasthan, Jaipur.
- *17. The Secretary to Govt.,
Industries, Supplies & Labour,
Patiala.
- **18. The Secretary to Govt.,
Development Dept., Industries Section,
Travancore-Cochin, Trivandrum.
- *19. The Chief Secretary to Govt.,
Jammu & Kashmir, Srinagar.
- *20. The Director of Industries and Supplies,
Delhi.
- **21. The Chief Secretary to Govt.,
Coorg, Mercara.
- *22. The Central Silk Board,
Office of the Textile Commissioner, Bombay.

APPENDIX II
[Vide paragraph 3 (c)]

*Programme of visits of the Cost Accounts Officer
in connection with cost investigation.*

	(A) Mysore area	(B) Kollegal area of Madras State
(i) Mulberry gardens	1. Mugur, T. Narsipur 2. Kurubur 3. Ramanagaram 4. Chikamathivadal 5. Siddalagatta.	1. Kollegal 2. Kanageri 3. Kunthur.
(ii) Silk Throwing units	1. M.S. Muddiah & Sons, Bangalore. 2. Kabadli Shankarasa & Sons, Bangalore. 3. Sri Rama Weaving Shed, Bangalore.	1. The Government Silk Filatures, Kollegal.
(iii) Filature units	1. The Mysore Silk Filatures, T. Narsipur. 2. The Mysore Govt. Silk Filatures, Karakapura (Kankarahalli).	1. The Government Silk Filatures, Kollegal. 2. M/s. Mahadev Silk Industries, Mudigundam, Kollegal.
(iv) Units producing silk fabrics.	1. Sri Rama Weaving Shed, Bangalore. 2. Government Silk Weaving Factory, Mysore.	—
(v) Spun Silk Mills	1. The Mysore Spun Silk Mills Ltd., Chennapatna.	

APPENDIX III
[vide paragraph 3(d)]

LIST OF PERSONS WHO ATTENDED THE PUBLIC INQUIRY ON THE 30TH APRIL
AND 1ST MAY, 1953 AND GAVE EVIDENCE BEFORE THE COMMISSION.

NAME	REPRESENTING
I. Producers of raw silk and silk yarns.	
1. Shri E.V. Ganapathy Iyer	Mysore Spun Silk Mills Ltd., Chennapatna (Mysore).
2. " R. Suryanarayana Rao	
3. " K. Shamsuddin Khan	Mysore Silk Association, P. Subbarama Chetty Road, Basavan- gudi, Bangalore 4.
4. " A. Sambamoorthy	Mysore Silk Filatures Ltd., T.Narsipur (Mysore District).
5. " N.G.Naik	Sri Rama Silk Mills Ltd., Bangalore 4.
6. " M.N. Nanjundiah, Member, Mysore Silk Advisory Committee, Mugur (Mysore State).	
7. " S.M. Sinha	Murshidabad Silk Association, Berhampur (West Bengal).
II. Importers of raw silk, silk yarns and silk fabrics.	
8. Shri Panalal M. Chinai	Raw Silk Merchants' Association, 79, Masjid Bunder Road, Bombay 3.
9. " Sripad L. Hamedey	
10. " Ratilal Kuberdas	
11. " Shambhu Prasad M. Patel	M/s. Nagindas Foolchand Chinai, 79, Masjid Bunder Road, Bombay 3.
12. " Jivanlal C. Chinai	
13. " Buddhisagar M. Chinai	
14. " D.R. Tandon	M/s. Darshinimal Tandon Co., Victoria Bldg., Parsi Bazar St., Fort, Bombay.
15. " S.M. Parekh.	M/s. Gandhi Parekh Investment Corpora- tion, Alice Bldg., Hornby Road, Bombay.
III. Consumers.	
16. Shri Sobhrajmal	The Silk Merchants' Association, Dahanukrr Bldg., Kalbadevi Road, Bombay 2.
17. " L.P. Shah	
18. " Morarji J. Valdia	The Silk and Art Silk Mills Asan. Podar Chambers, Parsi Bazar St., Fort, Bombay.
19. " J.G. Parekh	
20. " H.A. Bharucha	

- | | | |
|--------------------------------------|---|--|
| 21. Shri Chunilal Vajeram Reshamwala | } | Surat Chamber of Commerce, |
| 22. " Chimanlal L. Shah | | Surat. |
| 23. " B.S. Pattannasetty | | Mysore Silk Handloom Weavers' Assn.,
13, Jumma Masjid Road,
Bangalore 2. |

IV. Officials.

- | | | |
|--|---|--|
| 24. Shri E.V. Ganapathy Iyer,
Director of Industries. | } | Government of Mysore. |
| 25. Shri H.S. Venkata Rao,
Director of Sericulture. | | |
| 26. Shri T.C. Wazir,
Director of Industries. | | Government of Jammu and Kashmir,
Srinagar. |
| 27. Dr. S.N. Ganguly,
Director of Industries. | } | Government of West Bengal. |
| 28. Dr. D.P. Rai Chowdhry,
By. Director of Industries
(Sericulture). | | |
| 29. Shri V.R. Uttaman,
Asst. Sericulture Expert,
Kollegal. | | Government of Madras. |
| 30. Shri A.A. Faizi,
Silk Assistant. | | Government of Hyderabad. |
| 31. Shri V. Govindan,
Assistant Secretary. | | Central Silk Board, Office of the
Textile Commissioner, Shahibagh
House, Wiltet Road, Ballard Estate,
Bombay 1. |



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APPENDIX VIII

[Vide paragraph 16(a)]

Statement showing C.I.F. Indian Ports Prices of Japanese Filature Raw Silk and Italian Yellow Raw Silk, as furnished by the Central Silk Board.

Week Ending	C.I.F. Indian Ports Prices of Japanese Filature Raw Silk.		C.I.F. Indian Ports Prices of Italian Yellow Raw Silk.	
	20/22 Denier 'A' Grade	13/15 Denier 'A' Grade	20/22 Denier Exquis 1929 AAA (90%) or SIS A (85%)	20/22 Denier Extra 1929 AA (87%) or SIS B (83%)
1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
20- 7-1951	22- 3-0	24- 3-0	Not available	Not available
27- 7-1951	21- 9-0	23-11-0	-do-	-do-
3- 8-1951	21- 9-0	23-11-0	-do-	-do-
10- 8-1951	21- 9-0	23-11-0	-do-	-do-
17- 8-1951	20- 2-0	21-15-0	-do-	-do-
24- 8-1951	20- 2-0	21-15-0	-do-	-do-
31- 8-1951	20- 3-0	21-15-0	-do-	-do-
7- 9-1951	21- 1-0	23- 3-0	-do-	-do-
14- 9-1951	23-10-0	24- 8-0	-do-	-do-
21- 9-1951	23-10-0	25- 8-0	-do-	-do-
28- 9-1951	23- 8-0	24- 6-0	-do-	-do-
5-10-1951	23- 3-0	24- 6-0	-do-	-do-
12-10-1951	23-10-0	24- 6-0	-do-	-do-
19-10-1951	24- 3-6	25- 1-0	-do-	-do-
26-10-1951	23-15-0	25-14-0	-do-	-do-
2-11-1951	23-15-0	25-14-0	-do-	-do-
9-11-1951	24- 0-0	25- 0-0	-do-	-do-
16-11-1951	23- 9-0	25- 8-0	-do-	-do-
23-11-1951	23- 9-0	25- 8-0	-do-	-do-
30-11-1951	22- 8-0	24- 6-6	-do-	-do-
7-12-1951	22-14-0	25- 1-0	-do-	-do-
14-12-1951	21-15-0	24- 1-0	-do-	-do-
21-12-1951	22- 2-0	24- 4-0	-do-	-do-
28-12-1951	22- 3-6	24- 5-6	-do-	-do-
4- 1-1952	21-11-9	23-13-6	-do-	-do-
11- 1-1952	21-11-9	23-13-6	-do-	-do-

1	2	3	4	5
18- 1-1952	22- 1-6	24- 4-0	Rs.	Not available
25- 1-1952	22-12-7	25- 0-2	-do-	-do-
2- 2-1952	22- 4-9	23-14-3	-do-	-do-
9- 2-1952	22- 4-9	24-14-3	-do-	-do-
16- 2-1952	22-13-5	24- 4-0	-do-	-do-
23- 2-1952	23- 4-9	24-11-6	-do-	-do-
1- 3-1952	23- 5-0	24-12-0	-do-	-do-
8- 3-1952	23- 5-0	24-12-0	-do-	-do-
15- 3-1952	22-15-0	23-15-0	-do-	-do-
22- 3-1952	22-15-0	23-15-0	-do-	-do-
29- 3-1952	22- 3-6	23- 5-0	25- 0-0	24- 7-0
5- 4-1952	22- 7-0	23- 8-0	25- 0-0	24- 7-0
12- 4-1952	22- 7-0	23- 8-0	23- 0-0	22- 6-0
21- 4-1952	22- 2-0	22- 9-6	23- 0-0	22- 6-0
28- 4-1952	22-11-0	23- 0-0	23- 0-0	22- 6-0
5- 5-1952	22-12-6	23-15-0	23-12-0	23- 2-6
12- 5-1952	22-12-6	23-15-0	23- 6-0	22-15-0
19- 5-1952	23- 0-9	24- 3-3	23- 2-8	22- 9-9
26- 5-1952	23- 0-0	24- 9-9	23- 2-8	22- 9-9
2- 6-1952	23- 0-0	24- 9-9	23- 2-8	22- 9-9
9- 6-1952	23- 0-0	24- 9-9	23- 2-8	22- 9-9
16- 6-1952	22-12-6	24-11-3	23- 6-0	22-13-0
23- 6-1952	22-12-6	24-11-3	23- 6-0	22-13-0
7- 7-1952	22-12-0	24- 8-0	23- 8-3	23- 2-9
14- 7-1952	23- 1-0	24-11-3	24- 5-6	23-13-9
21- 7-1952	23- 1-0	24-11-3	24- 5-6	23-13-9
28- 7-1952	23- 1-0	24-11-3	25- 0-0	24- 5-6
4- 8-1952	23- 1-0	24-11-3	25- 0-0	24- 5-6
11- 8-1952	24- 0-3	25- 9-0	25- 3-0	25- 9-0
18- 8-1952	25- 0-3	25- 3-6	26- 2-0	25- 9-0
25- 8-1952	25- 6-0	26-11-6	26- 2-0	25- 9-0
1- 9-1952	25- 0-3	26-11-6	26- 2-0	25- 9-0
8- 9-1952	25- 7-6	26-13-3	26- 2-0	25- 9-0
15- 9-1952	25-11-6	27- 4-3	27- 9-3	27- 0-3
22- 9-1952	25-12-0	27- 4-3	27- 9-3	27- 0-3
29- 9-1952	25-12-0	27- 4-3	27-15-0	27- 9-3
6-10-1952	25-12-0	27- 4-3	28- 1-0	28-11-0
13-10-1952	25-12-0	27- 4-3	28- 1-0	28-11-0

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APPENDIX IX

[Vide paragraph 16(a)]

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE & INDUSTRY

OFFICE OF THE JT. CHIEF CONTROLLER OF IMPORTS & EXPORTS

IMPORT TRADE CONTROL

No. 1413

Bombay, the 28th February, 1953.

PUBLIC NOTICE

Sub.- Import of Raw Silk.

Attention of consumers of raw silk is invited to the remarks appearing against serial number 172-IV in Appendix 'A' to Public Notice No. 141-LTC(PN)/52 dated the 31st December, 1952 which have been reproduced in Red (Policy) Book for the licensing period January/June, 1953, wherein it has been indicated that applications are to be made to this office by consumers who require raw silk for use in their own factories. The actual users whose factories are registered under the Factories Act are advised to submit their applications not later than 15th March '53 supported by a certificate from the Director of Industries giving the following information:-

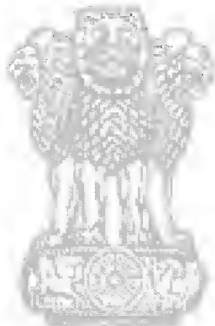
- (1) Total number of looms involved.
- (2) Their consumption of raw silk separately during the previous two years (1951-52).
- (3) Their purchases of raw silk (filature) from indigenous sources during the last two years (1951-52).
- (4) Their consumption of imported raw silk during the last two years (1951-52).
- (5) Actual requirements of the factories for a period of six months.

Licences will be issued provisionally in the first instance. Licensees will be required to purchase, within a period of six months from the date of issue of licences, an equivalent quantity of raw silk indigenously produced. The provisional licences will be confirmed and will be extended by three months from the date of confirmation.

The form of application will be the same as prescribed for Actual Users in terms of Appendix 'D' to I.T.C. Hand Book of Rules and Regulations, 1952.

Sd./- R.N. Philips,

Jt. Chief Controller of Imports & Exports.



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